



U.S. Small Business Administration

DISASTER NEWS

Economic Injury Loans for Small Businesses

Release Date: July 21, 2004
Release Number: 9ZL1-01

Contact: Karl Whittington
Phone: (916) 735-1500

Disaster Assistance Available for Small Businesses

Sacramento, CA – Small, non-farm businesses in the counties of Hawaii, Honolulu, Kalawao and Maui are eligible to apply for low interest disaster loans. These loans are to offset economic losses because of reduced revenue to farmers and ranchers caused by high winds, rain and flooding that occurred from December 7, 2003 through March 26, 2004 in Hawaii, Honolulu and Maui counties, announced Alfred E. Judd, Disaster Area Director of the U. S. Small Business Administration (SBA).

Small businesses may qualify for Economic Injury Disaster Loans (EIDLs) of up to \$1.5 million to help meet financial obligations and operating expenses, which could have been met had the disaster not occurred. "Eligibility for these working capital loans is based on the financial impact of the disaster only, and not on any actual property damage. These loans have an interest rate of 2.9%, a maximum term of 30 years, and are restricted to businesses without the financial ability to offset the adverse impact without hardship," Judd said.

By law, SBA makes EIDLs available when the U. S. Secretary of Agriculture designates an agricultural disaster. Secretary Ann M. Veneman declared this disaster at the request of Governor Linda Lingle.

Businesses primarily engaged in farming or ranching are ineligible for SBA disaster assistance. Agricultural enterprises should contact the Farm Services Agency (FSA) about the U. S. Department of Agriculture (USDA) assistance made available by the Secretary's declaration.

Information and application forms may be obtained by writing to SBA at **P.O. Box 419004, Sacramento, CA 95841-9004** or by calling **(800) 488-5323**. Hearing impaired individuals may call (916) 735-1683. The deadline to apply for these loans is **February 25, 2005**.

For more information visit SBA's website at www.sba.gov/disaster.

###