U. S. SMALL BUSINESS ADMINISTRATION
FACT SHEET – ECONOMIC INJURY DISASTER LOANS

MASSACHUSETTS Declaration # 13813
(Disaster: MA-00056)

Incident: Commercial Fishery Failure

Occurring: *May 1, 2013 through April 30, 2014*

For Essex and Plymouth counties; *and the contiguous counties of Barnstable, Bristol, Middlesex, Norfolk and Suffolk in the* ***Commonwealth of Massachusetts;*** *Hillsborough and Rockingham in the* ***State of New Hampshire.***

Application Filing Deadline: August 1, 2014

Type of Disaster Loan:

- Economic Injury Disaster Loans (EIDLs) – Working capital loans to help small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private, non-profit organizations of all sizes meet their ordinary and necessary financial obligations that cannot be met as a direct result of the disaster. These loans are intended to assist through the disaster recovery period.
- EIDL assistance is available only to entities and their owners who cannot provide for their own recovery from non-government sources, as determined by the U.S. Small Business Administration (SBA).

Credit Requirements:

- Credit History – Applicants must have a credit history acceptable to SBA.
- Repayment – Applicants must show the ability to repay the loan.
- Collateral – Collateral is required for all EIDLs over $5,000. SBA takes real estate as collateral when it is available. SBA will not decline a loan for lack of collateral, but SBA will require the borrower to pledge collateral that is available.

Interest Rates:

- The interest rate is determined by formulas set by law and is fixed for the life of the loan. The maximum interest rate for this program is 4 percent.

Loan Terms:

- The law authorizes loan terms up to a maximum of 30 years. SBA will determine an appropriate installment payment based on the financial condition of each borrower, which in turn will determine the loan term.

Loan Amount Limit:

- Economic Injury Disaster Loans (EIDL) – The law limits EIDL(s) to $2,000,000 for alleviating economic injury caused by the disaster. The actual amount of each loan is limited to the economic injury determined by SBA, less business interruption insurance and other recoveries up to the administrative lending limit. SBA also considers potential contributions that are available from the business and/or its owner(s) or affiliates. If a business is a major source of employment, SBA has the authority to waive the $2,000,000 statutory limit.

Loan Eligibility Restrictions:

- Noncompliance – Applicants who have not complied with the terms of previous SBA loans are not eligible. This includes borrowers who did not maintain required flood insurance and/or hazard insurance on previous SBA or Federally insured loans.

Refinancing:

- Economic injury disaster loans cannot be used to refinance long term debts.

Insurance Requirements:

- To protect each borrower and the Agency, SBA requires borrowers to obtain and maintain appropriate insurance. Borrowers of all secured loans (over $5,000) must purchase and maintain hazard insurance for the life of the loan on the collateral property. By law, borrowers whose collateral property is located in a special flood hazard area must also purchase and maintain flood insurance for the full insurable value of the property for the life of the loan.

For more information, contact SBA's Disaster Assistance Customer Service Center by calling (800) 659-2955, emailing *disastercustomerservice@sba.gov*, or visiting SBA's Web site at *www.sba.gov*. Deaf and hard-of-hearing individuals may call (800) 877-8339. Applicants may also apply online using the Electronic Loan Application (ELA) via SBA's secure Web site at *https://disasterloan.sba.gov/ela*.