



U.S. Small Business Administration

DISASTER NEWS

Economic Injury Loans for Small Businesses

SBA Disaster Assistance – Field Operations Center- East – 101 Marietta Street, NW, Suite 700, Atlanta, GA 30303

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SBA Offer Deferments to Deepwater BP Oil Spill Affected Businesses

ATLANTA – The U.S. Small Business Administration advises small businesses affected by the Deepwater BP Oil Spill who obtain new disaster loans or have existing SBA loans may be eligible for deferments.

“SBA is offering economic injury disaster loans (EIDL) and loan deferment options to fishing and fishing-dependent small businesses as a result of the Deepwater BP Oil Spill that shut down commercial and recreational fishing waters. These loans and loan deferments can provide critical temporary assistance needed to overcome the loss of revenue they are currently experiencing,” said Frank Skaggs, director of Field Operations Center East in Atlanta.

“It is critical we take every step we can to provide small businesses with resources to make it through this latest crisis so they can continue to drive local economic growth and provide good-paying jobs,” said SBA Administrator Karen Mills. “No loan payments will be due for one year on all loans approved to small businesses affected by the Deepwater BP Oil Spill. By taking this step, we are helping to ensure the continued viability of these small businesses,” Mills said.

With the EIDL program, SBA is offering working capital loans up to \$2 million at an interest rate of 4 percent with terms up to 30 years. The loans may be used by small businesses to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. SBA encourages businesses to also file claims with BP. Borrowers may be required to use any claim payments to help repay these SBA loans.

Eligible small businesses include those engaged in fishing, shrimping, crabbing and oyster fishing in the waters affected by the closure (employee or crew members are not small businesses and are not eligible); small businesses dependent on the catching or sale of shrimp, crabs and oysters, suppliers of fishing gear and fuel; docks, boatyards, processors, wholesalers, shippers, retailers and other small businesses dependent on revenue from fishing, recreational and sports fishing and coastal small businesses.

Understanding the financial challenges many of these business owners currently face, the SBA is also strongly encouraging its participating 7(a) lenders and Certified Development Companies (CDCs) to consider on a case-by-case basis deferment relief for borrowers with SBA-guaranteed 7(a) and 504 loans.

Small businesses in the areas that are repaying previous SBA disaster loans also may be eligible for a deferment, on a case-by-case basis. For more information on seeking a disaster loan application or deferment, small business owners may visit a Business Recovery Center located throughout the declared areas or contact SBA's Customer Service Center at (800) 659-2955 for specific details.

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For more information about the SBA's Disaster Loan Programs, visit our website at www.sba.gov.