



Legal Services  
of  
New Jersey



## SBA LOANS FOR HOMEOWNERS AND RENTERS

Toll Free: 888-222-5765  
[www.lsnjlawhotline.org](http://www.lsnjlawhotline.org)

If you are in a declared disaster area and are the victim of a disaster, you may be eligible for a disaster assistance loan from the U.S. Small Business Administration (SBA), even if you don't own a business. The SBA provides loans to homeowners or renters to repair or replace disaster-damaged real estate or personal property owned by the victim. Renters are eligible for their personal property losses, including automobiles. Renters and homeowners may borrow up to \$40,000 to repair or replace clothing, furniture, cars, appliances, etc. damaged or destroyed in the disaster. Homeowners may apply for up to \$200,000 to repair or replace their primary residence to its pre-disaster condition, and to perform any necessary upgrades as required by law.

The SBA determines the amount of the loan, and can consider a property owner's plans to make improvements that would reduce the risk of damage in a future disaster. If the home is located in a special flood hazard area, the homeowner must purchase flood insurance. Secondary homes and vacation homes are not eligible for these loans. However, some qualified rental properties may be eligible for a loan under the SBA's business loan program.

The terms of the loan are determined on a case by case basis. If the SBA determines that the applicant does not have other credit options, the interest rate will not exceed 4%. For others, the rate will not exceed 8%. Applicants who are denied an SBA loan may be eligible for further assistance from FEMA, depending upon the circumstances.

The SBA can refinance all or part of prior mortgages that are evidenced by a recorded lien, when the applicant (1) does not have credit available elsewhere, (2) has suffered substantial uncompensated disaster damage (40 percent or more of the value of the property), and (3) intends to repair the damage. Homeowners may be eligible for the refinancing of existing liens or mortgages on homes, in some cases up to the amount of the loan for real estate repair or replacement.

### TO APPLY FOR AN SBA LOAN:

1. First register with FEMA at [www.DisasterAssistance.gov](http://www.DisasterAssistance.gov) or 1-800-621-3362 by March 1st, 2013.
2. Apply to SBA online at <https://disasterloan.sba.gov/ela>.
3. Go to any Disaster Recovery Center. To find a location near you, please contact our Customer Service Center. Call 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov).

For additional program details contact SBA at 1-800-659-2955 or [www.sba.gov](http://www.sba.gov)

**The Legal Services of New Jersey Hurricane Sandy Legal Assistance Hotline is open Monday through Friday, 8:00 a.m. to 5:30 p.m. You may also apply for Legal Services online at [www.lsnjlawhotline.org](http://www.lsnjlawhotline.org). You will receive a response within 2 business days.**

