



Office of  
**Representative Hannah E. Kane**  
*Commonwealth of Massachusetts*

***For Immediate Release***

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**BOSTON** – Shrewsbury and Westborough business owners and non-profit organizations who were financially impacted by last winter’s record-breaking snowfall and extreme cold temperatures may qualify for low-interest disaster recovery loans through the U.S. Small Business Administration (SBA), according to Representative Hannah Kane (R-Shrewsbury).

With Massachusetts receiving a federal disaster declaration for the period of January 26-February 22, the SBA is offering working capital loans to qualifying businesses, non-profits and small agricultural cooperatives that have been unable to meet certain financial obligations as a direct result of the disaster. These Economic Injury Disaster Loans (EIDLs) are designed to assist applicants through the disaster recovery period, but cannot be used to refinance long term debts.

“The snow may be gone, but many employers are still feeling the after-effects of last winter’s record storms, which caused an unprecedented disruption in the normal course of business for weeks on end,” said Representative Kane. “The SBA’s Economic Injury Disaster Loans can provide a lifeline for many small businesses by allowing them to secure a line of credit with favorable repayment terms to help them get back on their feet financially.”

The SBA is offering interest rates of 4 percent on loans for businesses and small agricultural cooperatives that do not have access to credit from other non-government sources, as well as interest rates of 2.625 percent for non-profit organizations without credit available elsewhere. The SBA is authorized to approve loans of up to \$2 million for terms of up to 30 years, but can waive the \$2 million statutory limit if the business is a major source of employment.

In addition to a credit history check, all EIDL applicants must demonstrate an ability to repay the loan, and are also obligated to secure and maintain appropriate insurance. Collateral is required for all loans over \$25,000, and borrowers must purchase and maintain hazard insurance for the life of the loan on the collateral property. If the collateral property is located in a special flood hazard area, the borrower must also purchase and maintain flood insurance for the full insurable value of the property for the life of the loan, according to the SBA.

Applicants who have not complied with the terms of previous SBA loans are not eligible for an EIDL loan, including borrowers who did not maintain required flood insurance and/or hazard insurance on previous SBA or federally insured loans.

Representative Kane encourages local businesses and non-profits which may be eligible for an EIDL loan to contact the SBA’s Disaster Assistance Customer Service Center at (800) 659-2955 or e-mail them at [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov). Additional information is available at [www.sba.gov/disaster](http://www.sba.gov/disaster).

An online EIDL application can be found at <https://disasterloan.sba.gov/ela>. The application deadline is February 15, 2016.

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