

SBA drought disaster loans available to small businesses in California, Oregon

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Small nonfarm businesses in 10 California counties, including Del Norte County and neighboring counties in Oregon, are now eligible to apply for low-interest federal disaster loans from the U.S. Small Business Administration. Director Tanya N. Garfield, of SBA's Disaster Field Operations Center-West, said these loans offset economic losses because of reduced revenues caused by drought in the following primary counties that began April 21.

- Primary California counties: Del Norte, Humboldt, Shasta, Siskiyou and Trinity.
- Neighboring California counties: Lassen, Mendocino, Modoc, Plumas and Tehama.
- Neighboring Oregon counties: Curry, Jackson, Josephine and Klamath.

"SBA eligibility covers both the economic impacts on businesses dependent on farmers and ranchers that have suffered agricultural production losses caused by the disaster and businesses directly impacted by the disaster," Garfield said.

Small nonfarm businesses, small agricultural cooperatives, small businesses engaged in aquaculture and most private nonprofit organizations of any size may qualify for Economic Injury Disaster Loans of up to \$2 million to help meet financial obligations and operating expenses which could have been met had the disaster not occurred.

"Eligibility for these 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 3.75 percent for businesses and 2.75 percent for private nonprofit organizations, a maximum term of 30 years and are available to small businesses and most private nonprofits without the financial ability to offset the adverse impact without hardship," Garfield said.

By law, SBA makes Economic Injury Disaster Loans available when the U.S. Secretary of Agriculture designates an agricultural disaster. The Secretary declared this disaster on May 6.

Businesses primarily engaged in farming or ranching are not eligible for SBA disaster assistance.

Agricultural enterprises should contact the Farm Services Agency about the U.S. Department of Agriculture assistance made available by the Secretary's declaration. However, nurseries are eligible for SBA disaster assistance in drought disasters.

Applicants may apply online, receive additional disaster assistance information and download applications at <https://disasterloanassistance.sba.gov/>.

The deadline to apply for economic injury is Jan. 6, 2021.