



DISASTER NEWS

Economic Injury Loans for Small Businesses

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Military Reservist Economic Injury Disaster Loans Still Available

Sacramento, CA -- Small businesses that employ military reservists who were called to active duty by President Bush may still apply for a Military Reservist Economic Injury Disaster Loan (MREIDL). These disaster loans are available from the U. S. Small Business Administration (SBA) to small businesses during a period of military conflict.

According to Alfred E. Judd, SBA Disaster Area Director, these low-interest disaster loans are designed to help small businesses that have or will suffer financially because an essential employee is a reservist and has been called to active military duty. "The loss of such a key employee, even for a short period of time, can adversely affect a small company's ability to remain viable. SBA's MREIDL program can provide the money needed to support these small businesses until the key employee returns from their deployment," Judd said.

The application filing period for an MREIDL begins on the date the essential employee is ordered to active duty and ends 90 days after the date that employee is discharged. To date, SBA has approved 195 MREIDLs totaling \$17,107,900.

These working capital loans may be used to pay fixed debts, payroll, accounts payable, and other bills that can't be paid. Loans amounts cannot exceed \$1.5 million. The interest rate is 4 percent and the maximum term is 30 years. Based upon the financial impact of losing a key employee, SBA will determine the degree of economic injury, payment amount, and loan maturity for each business that applies for an MREIDL.

Small businesses may obtain information and loan applications by writing to SBA Disaster Area 4, P.O. Box 419004, Sacramento, CA 95841-9004, or by calling toll-free (800) 488-5323. Hearing impaired individuals should call (916) 735-1683.

For more information visit SBA's website at www.sba.gov/disaster.

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SBA Disaster Assistance Office - Area 4 — P.O. Box 419004 — Sacramento, CA 95841