Federal **Business Disaster** Assistance

Following natural disasters and other emergencies, businesses often face damage to property, inventory, and other assets. A wide-range of federal programs help businesses recover from challenges related to infrastructure damage, disruption of services, and dislocation of employees, suppliers, and customers.

Small Business Administration

The SBA provides low-interest, long-term disaster loans to eligible businesses and nonprofit organizations to help them repair, rebuild, and recover from federally declared disasters.

	Business Physical Disaster Loans	Economic Disaster Loans
TYPE	Physical property *Repair or replace damaged physical property including machinery, equipment, fixtures, and inventory*	Economic injury *Provide working capital to businesses that have suffered substantial economic injury*
LOAN AMOUNT	up to \$2 million	up to \$2 million
INTEREST RATE	8%* *(or 4%, if unable to obtain credit elsewhere)*	4%*
MATURITIES	up to 30 years	up to 30 years

**cannot exceed (per annum)*

U.S. Department of Agriculture

The USDA administers programs to support U.S. farm businesses following natural disaster events through direct payments for loss, loans, and cost-sharing to rehabilitate damaged lands.

DIRECT PAYMENTS

- Livestock Forage Disaster Program (LFP)
  Loss of grazing forage due to drought or fire
- Emergency Assistance for Livestock, Honey Bees, & Farm-Raised Fish Program (ELAP)
  Losses not covered under LIP or LFP
- Livestock Indemnity Program (LIP)
  Livestock deaths caused by adverse weather
- Tree Assistance Program (TAP)
  Tree, bush, and vine damage by natural disasters

LOANS

- Emergency Farm Loans
  Production and physical losses due to natural disasters or disease outbreak

COST-SHARE ASSISTANCE

- Emergency Conservation Program (ECP)
  Restore land used in agricultural production damaged by a natural disaster
- Emergency Forest Restoration Program (EFRP)
  Repair damage caused by natural disasters on nonindustrial private forestland

Department of Commerce

DOC includes the National Oceanic and Atmospheric Administration (NOAA), which administers disaster assistance to fishing communities and fishing-related businesses, (e.g., marinas, bait and tackle shops, commercial or charter fishing businesses), and the Economic Development Administration (EDA), which provides disaster recovery assistance to multiple affected parties.

Fishery Disaster Assistance

Congress directs the Secretary of Commerce to provide assistance to fishing communities following disruptive events that result in fish population declines and economic losses.

A determined fishery resource disaster includes:

- an unexpectedly large decrease in fish stock biomass
- or other change that results in significant loss of fishing access

Economic Development Administration

Congress has provided supplemental funding for long-term disaster recovery under the EDA's economic adjustment assistance (EAA) program. The EAA program supports a variety of activities, including expenses related to:

- Restoration of infrastructure**
- Other forms of disaster assistance for specific areas

***EDA does not provide EAA grants directly to businesses; grantees could use EAA funds for a loan fund for businesses.*

Department of Housing & Urban Development

Community Development Block Grants for Disaster Recovery (CDBG-DR)

Congress has provided supplemental funding for long-term disaster recovery for selected incidents under the conventional CDBG program's statutory authority.

Although HUD does not allocate CDBG-DR funds directly to businesses, grantees could use CDBG-DR funds to establish programs or administer activities that provide business assistance or fulfill broader economic revitalization needs.

CDBG-DR funded activities must meet one of the program's national objectives:

- principally benefit low- and moderate-income persons;***
- aid in the prevention or elimination of slums or blight; or
- meet an urgent need by addressing conditions that pose a serious and immediate threat to the health and safety of residents

****Typically grantees are required to use 70% of their funds to satisfy this objective.*

Information as of March 13, 2024. Prepared by Bruce Lindsay, Specialist in American National Government; and Mari Lee, Visual Information Specialist. For more information see CRS Report R47631, *Federal Disaster Assistance for Businesses: Summaries and Policy Options*.

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