

§ 123.1

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Subpart G—Economic Injury Disaster Loans as a Result of the September 11, 2001 Terrorist Attacks

- 123.600 Are economic injury disaster loans under this subpart limited to the geographic areas contiguous to the declared disaster areas?
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- 123.606 May I request an increase in the amount of an economic injury disaster loan under this subpart?

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SOURCE: 61 FR 3304, Jan. 31, 1996, unless otherwise noted.

Subpart A—Overview

§ 123.1 What do these rules cover?

This part covers the disaster loan programs authorized under the Small Business Act, 15 U.S.C. 636(b), (c), and (f). Since SBA cannot predict the occurrence or magnitude of disasters, it reserves the right to change the rules

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in this part, without advance notice, by publishing interim emergency regulations in the FEDERAL REGISTER.

§ 123.2 What are disaster loans and disaster declarations?

SBA offers low interest, fixed rate loans to disaster victims, enabling them to repair or replace property damaged or destroyed in declared disasters. It also offers such loans to affected small businesses to help them recover from economic injury caused by such disasters. Disaster declarations are official notices recognizing that specific geographic areas have been damaged by floods and other acts of nature, riots, civil disorders, or industrial accidents such as oil spills. These disasters are sudden events which cause severe physical damage, and do not include slower physical occurrences such as shoreline erosion or gradual land settling. Sudden physical events that cause substantial economic injury may be disasters even if they do not cause physical damage to a victim's property. Past examples include ocean conditions causing significant displacement (major ocean currents) or closure (toxic algae blooms) of customary fishing waters, as well as contamination of food or other products for human consumption from unforeseeable and unintended events beyond the control of the victims.

EFFECTIVE DATE NOTE: At 71 FR 75409, Dec. 15, 2006, § 123.2 was amended by adding a new sentence after the fourth sentence, effective Jan. 16, 2007. For the convenience of the user, the added text is set forth as follows:

§ 123.2 What are disaster loans and disaster declarations?

* * * However, for purposes of economic injury disaster loans only, they do include droughts and below average water levels in the Great Lakes or on any body of water in the United States that supports commerce by small businesses. * * *

§ 123.3 How are disaster declarations made?

(a) There are four ways in which disaster declarations are issued which make SBA disaster loans possible:

(1) The President declares a Major Disaster, or declares an emergency,