



# SBA Disaster Assistance for Civil Unrest

March 3, 2021

The Administrator of the Small Business Administration (SBA) has the authority—after gubernatorial requests for disaster assistance, including for riots and civil disorders—to issue [disaster declarations](#) authorized under the Small Business Act that activate the [Small Business Administration’s \(SBA\) Disaster Loan Program](#). This Insight provides information about SBA disaster declarations and SBA disaster loan types. **Table 1** provides historical information on SBA disaster declarations for civil unrest incidents since 1967.

The Small Business Act defines a disaster as

... a sudden event which causes severe damage including, but not limited to, floods, hurricanes, tornadoes, earthquakes, fires, explosions, volcanoes, windstorms, landslides or mudslides, tidal waves, commercial fishery failures or fishery resource disasters (as determined by the Secretary of Commerce under section 4107(b) of title 16), ocean conditions resulting in the closure of customary fishing waters, **riots, civil disorders** or other catastrophes, except it does not include economic dislocations (P.L. 85-536, 15 U.S.C. 15 §632(k)).

In the case of civil unrest, the SBA Administrator may issue: (1) a physical disaster declaration, or (2) an Economic Injury Disaster Loan declaration.

## SBA Physical Disaster Declaration

The SBA Administrator determines whether to issue a SBA physical disaster declaration based on a minimum amount of uninsured physical damage to buildings, machinery, inventory, homes, and other property. Generally, this minimum is 25 homes or businesses (or some combination of the two) that have sustained uninsured losses of 40% or more in any county or political subdivision of a state or U.S. possession. SBA physical disaster declarations make disaster loans available to eligible individuals, households, businesses, and private nonprofit organizations.

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IN11623

### *Home Disaster Loans*

SBA physical disaster declarations trigger [two categories](#) of SBA home disaster loans: (1) Real Property Disaster Loans, and (2) Personal Property Disaster Loans. Real Property Disaster Loans provide creditworthy homeowners located in a declared disaster area with up to [\\$200,000](#) to repair or restore the homeowner’s primary residence to its pre-disaster condition. Personal Property Disaster Loans provide creditworthy homeowners or renters located in a declared disaster area with up to [\\$40,000](#) to repair or replace personal property owned by the disaster survivor—including clothing, furniture, cars, or appliances damaged or destroyed in the disaster.

### *Business Disaster Loans*

SBA physical disaster declarations also trigger two categories of SBA business disaster loans: (1) [Business Physical Disaster Loans](#); and (2) [Economic Injury Disaster Loans](#) (EIDLs). Business Physical Disaster Loans provide up to [\\$2 million](#) to repair or replace damaged physical property, including machinery, equipment, fixtures, inventory, and leasehold improvements not covered by insurance. EIDLs provide up to [\\$2 million](#) in working capital to help meet financial obligations and operating expenses that could have otherwise been met had the disaster not occurred. Loan amounts for EIDLs are based on actual economic injury and financial needs, regardless of whether the business suffered any property damage. Eligible nonprofit organizations may also apply for Business Physical Disaster loans and EIDLs. The loan terms are the same as those offered to businesses.

### *Interest Rates and Loan Terms*

Interest rates for SBA [home disaster loans](#) and business [physical disaster loans](#) cannot exceed 8% per annum, or exceed 4% per annum if the applicant is unable to obtain credit elsewhere, and have loan maturities up to 30 years.

EIDLs have interest rates statutorily set at 4% per annum and have maturities up to 30 years.

### **SBA EIDL Declaration**

SBA EIDL declarations make [EIDL assistance](#) available to eligible businesses and private nonprofit organizations. The SBA Administrator may issue an EIDL declaration upon receipt of a certification from a state governor that at least five small businesses have suffered substantial economic injury resulting from a disaster. SBA EIDL declarations are issued only when other viable forms of financial assistance are unavailable. Small agricultural cooperatives and most private nonprofit organizations located within the disaster area or contiguous counties and other political subdivisions are eligible for SBA disaster loans when the SBA Administrator issues an EIDL declaration.

**Table I. Small Business Act Declarations Related to Civil Unrest (1967-2020)**

Loan Amounts in Nominal Dollars

<b>Incident Description and Disaster Number</b>	<b>Declaration Type</b>	<b>Declaration Date</b>	<b>Total Approved Loan Amount<sup>a</sup></b>
Civil Unrest in Charleston, South Carolina (Death of George Floyd) <a href="#">SC-00074</a>	Economic Injury Disaster Loan (EIDL) Declaration	08/17/2020	\$332,300

<b>Incident Description and Disaster Number</b>	<b>Declaration Type</b>	<b>Declaration Date</b>	<b>Total Approved Loan Amount<sup>a</sup></b>
Civil Unrest in Philadelphia, Pennsylvania (Death of George Floyd) <a href="#">PA-00106</a>	SBA Administrative Physical Disaster Declaration	08/07/2020	\$373,300
	EIDL Declaration		
Civil Unrest in Minneapolis, Minnesota (Death of George Floyd) <a href="#">MN-00081</a>	SBA Administrative Physical Disaster Declaration	08/03/2020	\$3,465,600
	EIDL Declaration		
Civil Unrest in Chicago, Illinois (Death of George Floyd) <a href="#">IL-00060</a>	SBA Administrative Physical Disaster Declaration	06/23/2020	\$1,134,000 <sup>b</sup>
	EIDL Declaration		
Civil Unrest in San Francisco, California (Death of George Floyd) <a href="#">CA-00319</a>	SBA Administrative Physical Disaster Declaration	06/17/2020	\$4,350,000
Civil Unrest in Baltimore, Maryland (Death of Freddie Gray) <a href="#">MD-00028</a>	SBA Administrative Physical Disaster Declaration	05/11/2015	\$165,400 <sup>b</sup>
	EIDL Declaration		
Civil Unrest in Ferguson, Missouri (Death of Michael Brown) <a href="#">MO-00072</a>	EIDL Declaration	09/03/2014	\$7,800
Civil Unrest in Cincinnati, Ohio (Death of Timothy Thomas) <a href="#">#9L55</a>	EIDL Declaration	05/01/2001	\$176,700
Civil Unrest in Seattle, Washington (World Trade Organization Conference) <a href="#">#9H05</a>	EIDL Declaration	04/07/2000	\$19,000
Civil Unrest in St. Petersburg, Florida (Death of Tyrone Lewis) <a href="#">#2916</a>	SBA Administrative Physical Disaster Declaration	12/03/1996	\$1,639,100
Civil Unrest in Washington DC. (Death of Daniel Enrique Gomez) <a href="#">#7356, #7357, #73581</a>	EIDL Declaration	07/25/1991	\$809,200
Civil Disorder in Miami, Florida (Death of Arthur McDuffie) <a href="#">#1843</a>	SBA Administrative Physical Disaster Declaration	06/02/1980	\$22,641,858

Civil Disorder in Newark, NJ (Beating of John William Smith) #632	SBA Administrative Physical Disaster Declaration	07/31/1967	\$365,650
Civil Disorder in Detroit, MI (Police raid of a blind pig) #631	SBA Administrative Physical Disaster Declaration	07/31/1967	\$3,979,500

**Sources:** Compiled by CRS using SBA Disaster Loan Data Sets, *Federal Register*, and press accounts.

**Notes:** SBA Administrative Physical Disaster Declarations make all SBA loan types available to eligible individuals and households, businesses, and private, nonprofit organizations. Not all applicants accept approved loans. Links are provided to *Federal Register* announcements when available.

- a. Loan amounts provided by SBA for select disasters are current as of November 18, 2020.
- b. SBA agency total amount. Granular data on SBA business disaster loans (including EIDL) and home disaster loans were not available.
- c. “Blind pig” refers to an illicit drinking establishment.

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