

SBA Urges Eligible Virgin Islands Nonprofits to Apply for Disaster Loans Ahead of July 25 Deadline

The U.S. Small Business Administration urges private nonprofits in the U.S. Virgin Islands to apply for economic injury disaster loans by July 25, while clarifying rules for those also seeking FEMA aid in the wake of Tropical Storm Ernesto's impact.

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The U.S. Small Business Administration is reminding private nonprofit (PNP) organizations in the U.S. Virgin Islands that they have until July 25, 2025 to apply for low-interest federal Economic Injury Disaster Loans (EIDLs). These loans are intended to help offset financial losses caused by Tropical Storm Ernesto, which struck the territory from August 13–16, 2024.

The declaration covers the islands of St. Croix, St. John, St. Thomas, and Water Island, and applies to PNPs that provide non-critical services of a governmental nature. Eligible entities include—but are not limited to—food kitchens, homeless shelters, libraries, community centers, schools, and colleges.

“SBA loans help eligible small businesses and private nonprofits cover operating expenses after a disaster, which is crucial for their recovery,” said Chris Stallings, Associate Administrator of the SBA’s Office of Disaster Recovery and Resilience. “These loans not only help business owners get back on their feet but also play a key role in sustaining local economies in the aftermath of a disaster.”

Loan amounts can reach up to \$2 million, with interest rates as low as 3.25% and repayment terms of up to 30 years. Notably, interest will not begin to accrue, nor will payments be due, until 12 months after the first loan disbursement.

The SBA clarified that EIDLs are available even if the applicant did not suffer physical damage during the storm. These loans are meant to assist with working capital needs, such as paying fixed debts, employee salaries, accounts payable, and other operating expenses disrupted by the disaster.

Applicants can apply online at sba.gov/disaster, or seek assistance by calling SBA’s Customer Service Center at (800) 659-2955 or emailing disastercustomerservice@sba.gov.

Important Guidance for Nonprofits Seeking FEMA Assistance

The SBA also issued important clarifications on the application process for PNPs seeking FEMA disaster assistance. Under the Disaster Mitigation Act of 2000, PNPs that provide non-critical services of a governmental nature must first apply to the SBA for disaster loan assistance and be either declined or deemed to have exhausted available SBA resources before applying to FEMA for permanent repair or replacement grant funding.

However, reimbursement for emergency protective measures or debris removal can be sought directly from FEMA without first applying to the SBA.

For PNPs that operate both critical and non-critical facilities, separate applications must be filed with SBA and FEMA. Ultimately, FEMA determines whether a facility is classified as critical or non-critical.

Entities with questions about their eligibility or the application process can contact SBA or FEMA directly for further assistance.