



U.S. SMALL BUSINESS ADMINISTRATION  
WASHINGTON, D.C. 20416

August 1, 2012

The Honorable Kay R. Hagan  
United States Senator  
701 Green Valley Road, Suite 201  
Greensboro, North Carolina 27408

Dear Senator Hagan:

Thank you for your recent inquiry on behalf of Mr. Robert L. Horky regarding a U.S. Small Business Administration (SBA) disaster assistance loan made to his business R & R Hospitality LLC (R&R).

According to SBA loan records, on January 8, 2005, SBA approved a \$77,200 Economic Injury Disaster Loan (EIDL) loan to R&R under the following terms: 2.9 percent interest, monthly payments of \$335, and a repayment period of 30 years.

In his letter to your office, Mr. Horky indicated that he wanted his payments to be credited on the day of receipt and "...not when you get around to it." On July 31, 2012, the SBA Birmingham Disaster Loan Servicing Center (BDLSC) contacted Mr. Horky by telephone. SBA BDLSC staff informed him that all payments are credited on the day of receipt and that even though the payments are processed after the day of receipt, the payment is credited for the actual day of receipt. Mr. Horky stated that he understood.

Mr. Horky also indicated the balance of his disaster loan should be forgiven. The SBA has no authority to forgive loans. The Agency offers several options to assist borrowers in loan repayment including maturity date extension (when possible), temporary payment reduction, and deferred monthly installments. Any request for reduced payments or other modified payment terms must be supported by current financial statements from the borrower. Under certain circumstances, SBA may consider a lump sum cash compromise as payment in full. This alternative is generally reserved for hardship situations and is approved only after a thorough analysis of the borrower's present and future financial situation. If Mr. Horky needs further assistance he may contact John Bancroft, BDLSC, at (800) 736-6048, extension 7476.

The Honorable Kay R. Hagan

We appreciate your continued support of the SBA and North Carolina small business community. If you and your staff have any questions, please contact the SBA Office of Congressional and Legislative Affairs at (202) 205-6700.

Sincerely,

John A. Miller  
Director  
Office of Financial Programs Assistance

cc: John Bancroft, BDLSC