



News Release

PRESS OFFICE

Release Date: Dec. 22, 2008
Release Number: 08-125

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SBA APPROVES MORE THAN \$1 BILLION IN DISASTER LOANS TO MIDWEST FLOODS AND GULF COAST HURRICANE SURVIVORS

WASHINGTON – In the aftermath of the devastating Midwest Floods and Hurricanes Gustav and Ike earlier this year, the U.S. Small Business Administration has approved more than 20,100 disaster loans worth \$1 billion to homeowners, renters and businesses in nine states.

Floods caused by heavy rains last June devastated parts of central Iowa and the upper Mississippi Valley. States affected by the floods included Illinois, Indiana, Missouri, Nebraska and Wisconsin, with Iowa being hardest hit. The SBA has approved 7,821 disaster loans in the Midwest states for a total of \$394 million.

Hurricane Gustav pummeled south-central Louisiana and the Mississippi coast Sept. 1. So far, 3,712 disaster loans have been approved for residents in the two states for a total of \$104 million. Less than two weeks later, Hurricane Ike made landfall at Galveston, Texas as a Category 2 storm and caused widespread property damage in Houston before making its way to the Louisiana coast. The SBA has approved 8,622 disaster loans in Texas and Louisiana for a total of \$502 million.

Before the Midwest floods and Hurricanes Gustav and Ike hit, the SBA rebuilt its disaster operations, upgraded technology, reformed processes and leveraged personnel to create a system better able to handle major disasters and serve those recovering from the aftermath of these storms.

“From the lessons learned after the Gulf Coast hurricanes of 2005, the SBA developed a new loan processing system, established a reserve corps of more than 2,000 trained and experienced disaster reservists ready to deploy with 48 hours notice, and introduced a new on-line disaster loan application to accelerate the process,” said acting SBA Administrator Sandy K. Baruah. “We also upgraded the disaster program’s computer system, expanding the capacity from 2,000 to 12,000 simultaneous users. These and other changes enabled us to be prepared to support the recovery efforts of a vast area in the midst of a busy flood and hurricane season.”

The SBA makes low-interest loans to homeowners, renters and non-farm businesses of all sizes. Homeowners may borrow up to \$200,000 to repair or replace damaged real estate. Individuals may borrow up to \$40,000 to cover losses to personal property.

Non-farm businesses and non-profit organizations of any size may apply for up to \$2 million to repair or replace disaster damaged business assets and real property. Small businesses and private non-profits with economic losses directly resulting from the declared disaster may apply for a working capital loan up to \$2 million, even if the property was not physically damaged.

For information about SBA disaster loans, visit www.sba.gov/services/disasterassistance. To get an application by mail, or for other questions about the loan program, contact SBA’s Disaster Assistance Customer Service Center at 800-659-2955 (800-877-8339 for the hearing or speech impaired), or by e-mail at disastercustomerservice@sba.gov. ###