



# NEWS RELEASE

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**Release Date:** January 17, 2002

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**Release Number:** 02-04

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**Internet Address:** [www.sba.gov/news/indexheadline.html](http://www.sba.gov/news/indexheadline.html)

### ***PRESIDENT BUSH SIGNS LAW RAISING SBA DISASTER LOAN CAPACITY IN NEW YORK AND VIRGINIA TO \$600 MILLION FOR BUSINESSES HURT BY SEPTEMBER 11 ATTACKS***

#### ***----- Bill Also Eases Loan Terms, Widens Eligibility***

**WASHINGTON** – President Bush has signed into law an appropriations bill adding \$320 million in loan capacity to the U.S. Small Business Administration's disaster lending effort on behalf of businesses in New York and Northern Virginia that suffered losses in the aftermath of the World Trade Center and Pentagon attacks of September 11.

The additional funds raised the total disaster loan pool available to help these businesses to \$600 million.

**“Our legislative partners deserve praise for working so hard to craft this package that will help business owners who suffered such great losses in the aftermath of the September 11<sup>th</sup> attacks,”** said SBA Administrator Hector V. Barreto. **“This funding will contribute greatly to the economic revival of these communities.”**

The law expands the SBA disaster loan program as follows:

- The maximum disaster loan (physical and/or economic injury) amount is increased from \$1.5 million to \$10 million for businesses located in the declared disaster areas of New York, Virginia and contiguous counties;
- Small non-profit institutions (churches, YMCA, schools, etc.) located in the declared disaster areas of New York, Virginia and contiguous counties are now eligible for Economic Injury Disaster Loans (EIDLs);
- Small non-depository financial and insurance firms located in the same declared disaster areas (such as companies engaged in financial transactions processing, securities and commodities exchange, direct life insurance carriers) are now eligible for EIDLs;
- Following SBA's issuance of an EIDL to small businesses in the declared areas, payments of principal and interest on those loans will be deferred for two years, and no interest will accrue during that period.

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The application deadline for physical damage disaster loans (New York City and contiguous counties) has been extended to March 11, 2002.

Small businesses in all the declared disaster areas have until June 11, 2002, to submit the EIDL application.

Businesses in New York, Virginia and the surrounding areas interested in applying for a disaster loan or obtaining further information can contact the SBA disaster area office in Niagara Falls, New York at (800) 659-2955.

Since September 11, the SBA has approved more than \$229 million in disaster loans to businesses in New York, Virginia and the contiguous areas.

To find out more about the SBA's disaster assistance program, visit the web site at [www.sba.gov/disaster](http://www.sba.gov/disaster).

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*For more information about all of the SBA's programs for small businesses, call the SBA Answer Desk at 1-800-U-ASK-SBA, or visit the SBA's extensive web site at [www.sba.gov](http://www.sba.gov).*

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