



News Release

PRESS OFFICE

Release Date: July 11, 2008

Release No: 08-68

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Internet Address: <http://www.sba.gov/news>

SBA Urges Lenders to Offer Deferments on SBA-Backed Loans Held by Business Owners in Midwest Flood Areas

WASHINGTON – The U.S. Small Business Administration is encouraging participating 7(a) and Certified Development Company lenders to provide deferment relief of three or more months for borrowers in the six Midwest states that were declared federal disaster areas following the recent flooding.

Counties in Iowa, Indiana, Illinois, Nebraska, Missouri and Wisconsin, and adjacent counties in Kentucky and Ohio were recently declared federal disaster areas, making federal recovery assistance available to residents and businesses in the area. A regularly updated listing of current declarations may be found at <http://www.sba.gov/services/disasterassistance/basics/recentdisaster>.

“These deferments are aimed at easing the burden Midwest business owners face as the area recovers from this major disaster,” said acting SBA Administrator Jovita Carranza. “The SBA is committed to supporting the business community in these states as the post-disaster rebuilding continues.”

SBA district offices and loan servicing centers in the area will provide guidance to lenders in terms of providing information to borrowers about the deferments. Since many SBA-guaranteed 7(a) loans are sold in the secondary market, lenders can provide one deferment of three consecutive monthly payments without requesting approval from the secondary market purchaser.

Business owners interested in learning more about the deferments may contact their local SBA district office. Go to www.sba.gov and look under “Local Resources” for a list of district office locations and contacts.

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