



# ***NEWS RELEASE***

## **PRESS OFFICE**

**Release Date:** August 26, 2008

**Release Number:** 08-82

**Contact:** Christine Mangi (202) 205-6948

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

## **SBA Acting Administrator Visits Florida to Show Commitment to Rebuilding Efforts**

**WASHINGTON --** U.S. Small Business Administration Acting Administrator Sandy K. Baruah traveled to Florida today to oversee SBA's support for communities impacted by Tropical Storm Fay. Baruah met with local SBA officials and FEMA Administrator David Paulison to ensure strong SBA coordination with federal, state and local governments in providing critical services.

"As the federal government's primary source of post-disaster physical and economic recovery loans, SBA plays an essential role in helping disaster affected communities through the rebuilding process," said Baruah. "We are mobilized in Florida to provide fast, responsive and professional support so homeowners, renters, businesses of all sizes and non-profit organizations can get back on their feet. SBA is committed to continually improving its Disaster Assistance program so survivors receive a compassionate response and effective service."

SBA has deployed staff from its Disaster Field Operations Center in Atlanta, Georgia, and the agency has staff on the ground in Tallahassee, Jacksonville, Miami and Orlando. An additional 100 staff are on standby. Tomorrow, Steve Smith, Chief of SBA's Executive Disaster Office and Frank Skaggs, Director of SBA's Disaster Field Operations-East, will tour the disaster impacted areas. SBA is also working with FEMA, state and local governments to ensure that residents receive support.

Tomorrow, Baruah will make his first visit to New Orleans since being named SBA Acting Administrator 11 days ago, where he will assess the agency's progress in helping the Gulf Coast rebuild from Hurricanes Katrina, Rita and Wilma.

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. To make the application process easier, SBA has a new, electronic loan application which reduces the amount of time and paperwork it takes to apply for assistance.

In addition, disaster survivors now have increased benefits as a result of changes that were recently signed into law under the Small Business Disaster Response and Loan Improvement Act of the 2008 Farm Bill. They were officially implemented by the SBA in June. The enhanced benefits under SBA's Disaster Assistance program, all of which are retroactive to cover loans approved in disasters declared on or after May 22, 2008 include:

(---more---)

- Increased Loan Limits---Eligible borrowers may take out a \$14,000 loan without collateral, up from the previous \$10,000 unsecured loan limit.
- Increased Disaster Loan Amounts---The disaster loan cap for businesses has increased from \$1.5 million to \$2 million. The 20 percent mitigation measure formula has changed from total loan eligibility to total loss eligibility.
- Economic Injury Disaster Loans to Nonprofits---SBA's Economic Injury Disaster Loan program now includes private, non-profit organizations of all sizes.

Interest rates are as low as 2.874 percent for homeowners and renters, and 4 percent for businesses, with terms up to 30 years. Loan amounts and terms are set by the SBA and are based upon each applicant's financial condition. Disaster victims may now apply for disaster loans from SBA's secure website at <https://disasterloan.sba.gov/ela/>.

For questions about the disaster loan application, call SBA's Customer Service Center at 1-800-659-2955 (1-800-877-8339 for the hearing impaired), or e-mail the center at [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov).

To learn more about the SBA's disaster assistance program, visit the Web site at <http://www.sba.gov/services/disasterassistance/index.html>.

###