



News Release

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SBA Reaffirms Open Reinstatement Policy For Cancelled Gulf Coast Borrowers

WASHINGTON, DC —Today the U.S. Small Business Administration reaffirmed that borrowers impacted by Hurricanes Katrina, Rita or Wilma whose loans were cancelled may request reinstatement until January 31, 2008.

“SBA is continuing to work hard for the Gulf Coast’s recovery,” SBA Administrator Steven Preston said. “As part of the agency’s effort, we’ve taken extraordinary steps to ensure disaster loans are available to all eligible borrowers, two years later.”

SBA has attempted to get in touch with all borrowers whose loans were cancelled last fall without prior contact by the agency, and will continue its outreach. The agency encourages Katrina, Rita and Wilma borrowers whose loans have been cancelled to contact SBA’s Customer Service Center if they would like the loan to be reinstated.

Interested borrowers may need to update their file data with new telephone numbers and, in some cases, new addresses. Financial information may need to be updated as well.

SBA’s Disaster Assistance Customer Service Center is open Monday through Friday from 8:00 a.m. to 9:00 p.m. (E.D.T.). The toll free number is 800-659-2955 or you can email SBA at Disastercustomerservice@sba.gov.

In addition to the loan reinstatement policy, SBA has made a series of extraordinary changes to its Disaster Assistance loan program in the past year. Since last summer, the agency has completely reengineered the program using private sector operational techniques to eliminate backlogs, dramatically reduce response time, and improve support to disaster victims throughout the process. Individual case managers were assigned to every borrower to help them navigate the process and SBA assigned staff to work in clerks’ offices in Louisiana to help borrowers find needed documents.

As a result, SBA reduced the backlog of approved loans in the system from 120,000 one year ago to 10,628 today. All but 992 of those applicants have received at least some of their disaster loan money. Currently, \$5.9 billion of \$6.9 billion in approved SBA disaster loans is at work helping 118,000 Gulf families rebuild their lives, businesses and communities.

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