



NEWS RELEASE

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SBA Simplifies Documentation Requirements for Business Disaster Loans

WASHINGTON – Responding to the issues faced by business owners who lost important documents in the aftermath of Hurricanes Katrina and Rita, the U.S. Small Business Administration today announced that it will relax some of its disaster loan filing requirements to expedite the processing of these loans.

For instance, the agency will now waive the usual requirement of the submission of tax returns from the last three years. Business owners will also now be able to file a disaster loan application without providing a monthly sales analysis for the last three years.

To fill in the gaps for the missing information, the SBA will, in the case of the missing tax documents, access income tax transcripts from the IRS to verify the applicant's income. Help with the disaster loan application is also available at the Small Business Development Centers. Addresses for the DRCs and the SBDCs can be found at the Web site (www.sba.gov).

In addition, the title or record search previously required before all loan disbursements above \$25,000 will now only be required for loans exceeding \$50,000.

“Relaxing some of the loan processing criteria will ease the approval process, allowing business owners to rebuild more quickly and lay the foundation for the revival of the region's economy,” said SBA Administrator Hector V. Barreto.

In response to the devastation caused by Hurricanes Katrina and Rita, the SBA has hired more than 2,300 loan officers, damage inspectors, loan closers and customer service staffers. The employees are working 12 to 14 hours seven days a week in 103 Disaster Recovery Centers located in the Gulf States, and in the agency's loan processing center, customer service center, and disaster field offices in Atlanta and Sacramento.

In addition, the establishment of loan closing centers in Louisiana, Alabama and Mississippi will expedite loan closings and disbursements.

Homeowners, renters and businesses in the areas affected by Hurricanes Katrina and Rita are encouraged to apply for federal assistance by registering online with FEMA at www.fema.gov, or by calling 1-800-621-FEMA (3362), or 1-800-462-7585 (TTY) for the hearing and speech impaired. The toll-free numbers will operate 24 hours daily until further notice.

The SBA offers loans of up to \$200,000 to repair disaster damaged primary residences. Homeowners and renters are eligible for loans up to \$40,000 to replace personal property such as furniture and clothing. Loans to businesses of all sizes and non-profit organizations are available up to \$1.5 million to repair damage to real estate, machinery, equipment and inventory. Economic Injury Disaster Loans (EIDLs) of up to \$1.5 million are also available to small businesses unable to pay bills or meet operating expenses.

Interest rates can be as low as 2.68 percent for homeowners and renters and 4 percent for businesses with terms up to 30 years. Loan amounts and terms are set by SBA and are based upon each applicant's financial condition.

For more information on SBA's disaster loan program, call the SBA's customer service center at 1-800-659-2955 daily from 6 a.m. to 1 a.m., email questions to disastercustomerservice@sba.gov, or visit the Web site at www.sba.gov/disaster.

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