



NEWS RELEASE

PRESS OFFICE

Release Date: October 17, 2005
Release Number: 05-61

Contact: Carol Chastang (202) 205-6987
Internet Address: <http://www.sba.gov/news>

SBA to Expedite Processing of Business Disaster Loans

WASHINGTON – In an effort to provide faster assistance to business owners in the areas affected by Hurricanes Katrina and Rita, the U.S. Small Business Administration today said it would use an expedited process for disaster loans under \$100,000 for businesses that can meet specified criteria.

While the streamlining of the application process will enhance the SBA's ability to get money in the hands of disaster survivors more quickly, Administrator Hector V. Barreto also encouraged business owners to submit their applications as soon as possible.

"Within the last few days the agency has introduced initiatives aimed at speeding up the disaster loan application process. Meanwhile, the sooner the SBA receives the disaster loan application, the sooner the loan funds can be disbursed," Barreto said.

The business owners must have satisfactory credit, a gross income greater than \$25,000, and a satisfactory SBA loan history. Additional requirements include a controlling ownership by an individual or group of individuals and a verifiable federal tax return with 12 months of operations.

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.

SBA disaster 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.

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. 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.

###