



News Release

PRESS OFFICE

Release Date: August 30, 2005

Contact: Michael Lampton (817) 868-2300 (LA)
Frank Adinolfi or Matt Young (404) 347-3771
(AL, MS)

Release Number: 05-50

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

U.S. Small Business Administration Stands Ready To Assist Victims of Hurricane Katrina

WASHINGTON – Following the announcement of Presidential disaster declarations in Alabama, Louisiana and Mississippi as a result of Hurricane Katrina, SBA Administrator Hector V. Barreto issued the following statement:

“Our hearts go out to the victims of Hurricane Katrina. The U.S. Small Business Administration is ready to assist those hurt by this powerful storm. As a result of President Bush’s declaration of a federal disaster we will be swift in our efforts, along with our partners at the Federal Emergency Management Agency, to help people rebuild their lives. SBA officials will be in the affected cities and communities very soon to begin offering our assistance.

“SBA has always had a strong commitment to disaster victims. To show our continued commitment to hurricane victims, SBA will have loan officers in every federal/state disaster recovery center that is opened. SBA is also prepared to provide help in other states in the eastern half of the country where this powerful storm may also lead to disaster area declarations. We’ve been there before, and we’re ready to provide recovery aid again,” Barreto said.

After an unprecedented four hurricanes struck Florida and 13 other states last summer, the SBA approved more than \$2.1 billion in disaster loans to about 64,500 residents and business owners in the disaster areas.

SBA offers loans 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) 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.

Residents and business owners in the affected areas can begin the disaster application process 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. Details on the location of recovery centers and loan application deadlines will be provided as the information becomes available. For more information, visit SBA’s Web site at www.sba.gov/disaster.

###