



NEWS RELEASE

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SBA ADJUSTS REVENUE-BASED SIZE STANDARDS FOR INFLATION, WIDENS ELIGIBILITY FOR AGENCY PROGRAMS

WASHINGTON -- The U.S. Small Business Administration has increased its revenue-based size standards for small businesses by 15.8 percent to account for inflation since 1994, SBA Administrator Hector V. Barreto announced today.

Since the size standards are used to determine whether a business is a small business for the purposes of eligibility for SBA programs, the inflation adjustments will make it possible for at least 8,600 companies to regain their eligibility as small businesses.

The new standards were published in the *Federal Register* on January 23, 2002, as an interim final rule with a 30-day comment period. They will become effective on February 22, 2002. For small businesses located in the September 11 presidentially declared disaster areas of metropolitan New York City and Northern Virginia, the new regulations will apply retroactively to Sept. 11, 2001.

As a result, the SBA's Office of Disaster Assistance will go back and review applications for disaster recovery loans in those areas to determine whether those that were rejected because they didn't qualify as small businesses have become eligible for assistance.

"This adjustment of SBA's size standards will restore small business status to many firms that became ineligible for SBA assistance strictly because of inflation," says SBA Administrator Hector V. Barreto. **"I find it especially important that we are able to apply retroactively these updated size standards to firms applying for Economic Injury Disaster Loans due to the September 11 attacks."**

The SBA adjusts the revenue-based size standards using the chain-type price index used by the Department of Commerce to measure inflation in the economy.

Revenue-based size standards for small businesses had not been updated for inflation since 1994. Industry sectors whose size standards had been changed for other criteria that also included inflation since 1994 will be adjusted accordingly to match the new percentage.

For additional information on the new size standards, visit the SBA's Office of Size Standards Web page at www.sba.gov/size, and click on **"What's New?"**

For more information about all of SBA's programs for small businesses, call the SBA Answer Desk at 1-800 U ASK SBA or TDD 704-344-6640. Also visit the SBA's extensive Web site at www.sba.gov.

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