



News Release

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SBA Reopens Disaster Loan Program to Small Business Owners Affected by 2005 Gulf Coast Hurricanes

WASHINGTON – Gulf Coast small business owners who missed last July’s application deadline for the U.S. Small Business Administration’s Economic Injury Disaster Loans made available during the 2005 hurricane season have another opportunity to apply, SBA Administrator Steven Preston announced today.

A bill signed into law by President Bush on May 25 authorizes the SBA to offer Economic Injury Disaster Loans (EIDLs) to Gulf Coast small business owners who suffered economic injury in the aftermath of the four hurricanes that devastated the region two years ago. These working capital disaster loans have a cap of \$1.5 million at a 4 percent interest rate with up to 30-year terms. Businesses that received EIDL loans in the earlier application period must count those loans toward the overall cap. Only small businesses in operation when Hurricanes Dennis, Katrina, Rita and Wilma struck are eligible to apply for the loans.

“The widespread devastation caused by these storms continues to impact the economic recovery of the region,” said SBA Administrator Preston. “Small businesses are the solid foundation that will support the revitalization of the Gulf Coast, and these disaster loans will give business owners the capital needed to thrive again.”

Pre-existing small businesses located in Alabama, Florida, Louisiana, Mississippi and Texas counties and parishes that were declared disaster areas after Hurricanes Dennis, Katrina, Rita and Wilma can apply for the EIDLs until December 31, 2007. EIDL assistance is available only to small businesses to help them cover ordinary expenses the company would have been able to handle if the disaster had not occurred. For a list of the declared counties and parishes, go to http://www.sba.gov/idc/groups/public/documents/sba_program_office/sba_dpl_2005_hurricanes.pdf.

Meanwhile, local Small Business Development Centers (SBDCs) are prepared to help small business owners complete their disaster loan applications. Below are links to the SBDCs in the declared states:

Florida	http://www.floridasbdc.com	Alabama	http://www.asbdc.org
Mississippi	http://www.mssbdc.org	Louisiana	http://www.lsbdc.org
Dallas	http://www.ntsbd.org	Houston	http://www.sbdcnetwork.uh.edu

To apply, small businesses can visit SBA’s Web site and download an application (Form 5) at <http://www.sba.gov/services/disasterassistance/basics/howtoapply/index.html>. They can also call the agency’s Customer Service Center at 1-800-659-2955, or send an email to disastercustomerservice@sba.gov to obtain an application. To learn more about the SBA’s disaster assistance program, visit the Web site at <http://www.sba.gov/services/disasterassistance/index.html>.