



# *News Release*

## **PRESS OFFICE**

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## **SBA to Extend Gulf Opportunity Pilot Loan Program through September 2008**

*Goal is to Keep Helping Communities Affected by Hurricanes Katrina and Rita*

**WASHINGTON, D.C.** – The U.S. Small Business Administration is extending its Gulf Opportunity Pilot Loan Program for another year, to Sept. 30, 2008, to maintain it as an additional source of capital for small businesses in communities that were severely impacted by Hurricanes Katrina and Rita in 2005. Without the extension, the program would have expired Sept. 30, 2007.

Under this initiative, small businesses in areas affected by Hurricanes Katrina and Rita are eligible for a unique U.S. Small Business Administration-backed loan of up to \$150,000 designed to help speed financing for recovery and rebuilding. The loans are delivered through local banks and handled under an expedited process that can deliver a response in 24 hours or less.

GO loans will be available through Sept. 30, 2008, to small businesses in the counties and parishes of Texas, Louisiana, Mississippi, Alabama and western Florida that are included in the Presidential disaster declarations for Hurricanes Katrina and Rita, and the contiguous counties and parishes.

“SBA is continuing to respond to the unprecedented devastation caused by Hurricanes Katrina and Rita to small businesses located in the declared disaster areas,” said SBA Administrator Steve Preston. “We are extending the GO Loan Program for one more year in recognition of the scope and magnitude suffered by these communities.”

The Gulf Opportunity Pilot Loan Program is similar to the *SBAExpress* program, and all current *SBAExpress* lenders are eligible to participate in the pilot program without further approval by the SBA. Under the program, the maximum loan size will be limited to \$150,000, and loans will receive SBA’s full guaranty of 85 percent, rather than the 50 percent guaranty provided under the regular *SBAExpress* program.

Under the new directives extending GO loans through fiscal 2008, existing PLP lenders without *SBAExpress* authority that wish to participate in the program will have their requests handled on an expedited basis. Also, lenders not operating under PLP or *SBAExpress* authority that wish to participate must meet the requirements set forth in the *SBAExpress* Program Guide for SBA lenders.

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SBA also is waiving agency regulations that require borrowers who own 20 percent or more of the business to include a portion of their personal assets into the business financing package. This waiver makes GO loans more accessible to borrowers by facilitating and expediting the processing of the loans.

The SBA backed 423 GO loans for \$35,628,500 in fiscal 2006, and has guaranteed 272 GO loans for \$21,315,000 as of September 21, 2007. These loans can be used to refinance existing debt, but not to pay any creditor who could sustain a loss that eventually might have to be absorbed by the SBA.

For more information on the GO Loan Pilot Program, requirements, waiver, etc., visit [http://www.sba.gov/services/disasterassistance/2005gulfcoasthurricanes/SERV\\_DISASTERASSISTANCE\\_GOLOAN.html](http://www.sba.gov/services/disasterassistance/2005gulfcoasthurricanes/SERV_DISASTERASSISTANCE_GOLOAN.html). Lenders with questions may contact their local SBA district office.

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

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