



News Release

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SBA Fully Disburses 100,000th Disaster Recovery Loan to Gulf Coast

WASHINGTON – More than 100,000 disaster loans have been fully disbursed by the U.S. Small Business Administration, totaling \$4.8 billion to Gulf Coast residents who suffered losses in the aftermath of Hurricanes Katrina, Rita and Wilma, the agency announced this week. SBA has now disbursed three-quarters of the total amount approved for borrowers rebuilding from the Gulf hurricanes. Including loans that have been partially disbursed, the agency has made full or partial disbursements on 98 percent of the net approved loans, for a total of \$5.3 billion.

Operational reforms in SBA's disaster loan program rolled out last June contributed substantially to the quicker disbursement of disaster loan funds.

"Last summer we moved 1,300 staff and revamped their work flow, forming teams that integrated loan processing, decision making and legal functions," said SBA Administrator Steven Preston. "We also contacted 90,000 borrowers in the Gulf to introduce them to the new process, while creating more consistent dialog with our customers through the implementation of case managers for each loan applicant. The full disbursement of SBA disaster loan funds will go a long ways towards rebuilding the region, one homeowner and one business at a time."

Preston also said additional enhancements to the disaster loan program, which include ongoing reform of the disaster loan process, improving automation, and developing a detailed playbook for future large scale disasters, are underway.

The SBA has approved a net of almost 120,000 disaster loans totaling \$7.13 billion in the aftermath of the Gulf Coast hurricanes. The vast majority of the remaining borrowers have drawn on some of their SBA-approved disaster loans. Home loans disbursed in the region total \$4.23 billion, while \$1.16 billion has been disbursed to businesses.

The SBA makes low-interest loans to homeowners, renters and non-farm businesses of all sizes following a Presidential disaster declaration. Homeowners may borrow up to \$200,000 to repair or replace damaged real estate. Individuals may borrow up to \$40,000 to cover losses to personal property.

Non-farm businesses and non-profit organizations of any size may apply for up to \$1.5 million to repair or replace disaster damaged business assets and real property. Small businesses that suffered economic losses as a direct result of the declared disaster may apply for a working capital loan of up to \$1.5 million, even if the property was not physically damaged.

Disaster loan borrowers who have questions should call SBA's Customer Service Center at 1-800-659-2955, or send an e-mail to disastercustomerservice@sba.gov. The Center handled over two million calls in response to the Gulf Coast Hurricanes.

To learn more about the SBA's disaster assistance program visit the Web site at www.sba.gov/disaster.

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