

NEWS RELEASE

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Contact: Carol Chastang (202) 205-6987

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

Homeowners, Renters and Businesses are Urged To Prepare for Disaster before it Strikes

WASHINGTON – As several states recover from the destruction and loss of life caused by recent tornadoes, floods and wildfires, and other areas prepare for the beginning of the 2008 Atlantic Hurricane Season on June 1, the U.S. Small Business Administration is urging the public to develop an emergency plan before the disaster hits.

“Every threat, from wind storms, floods and wildfires, to power outages and computer system failures, reminds us to be proactive when it comes to planning strategies to survive a disaster and recover quickly,” said SBA Deputy Administrator Jovita Carranza. “The catastrophic events of the last few years demonstrate the need for preparedness at the individual level, to diminish the risk to life and property.”

The SBA stands ready to help communities recover in the aftermath of a disaster. Following the Gulf Coast Hurricanes of 2005, the SBA approved more than \$5 billion in disaster loans to 102,700 homeowners and renters in the region. Businesses in the area were approved for 16,780 business disaster loans worth \$1.6 billion.

During the past two years the SBA has been preparing to respond to major disasters by reengineering the Disaster Assistance program with a significant focus on customer service, direct accountability, and new technologies that have quadrupled processing capacity. In June 2007 the agency completed its Disaster Recovery Plan, which includes procedures to better handle future catastrophic disasters, and has begun testing this plan through simulations conducted with outside experts.

Disasters strike in all seasons. Since Oct. 1, the SBA has responded to 137 declared disasters, including those for drought. Of those, 118 are open at present.

Disaster preparedness for homes and businesses should include:

- **A solid emergency response plan.** Find evacuation routes from the home or business and establish meeting places. Make sure everyone understands the plan beforehand. Keep emergency phone numbers handy. Business owners should designate a contact person to communicate with other employees, customers and vendors. Ask an out-of-state friend or family member to be your “post-disaster” point of contact – a person to call to provide information on your safety and whereabouts.

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- **Adequate insurance.** Disaster preparedness begins with having adequate insurance coverage—at least enough to rebuild your home or business. Homeowners and business owners should review their policies to see what is or isn't covered. Businesses should consider “business interruption insurance,” which helps cover operating costs during the post-disaster shutdown period. Flood insurance is essential. To find out more about the National Flood Insurance Program, visit the Web site at www.floodsmart.gov.
- **Making copies of important records.** It's a good idea to back up vital records and information saved on computer hard drives, and store that information at a distant offsite location. Computer data should be backed up routinely. Copies of important documents and CDs should be stored in fire-proof safe deposit boxes offsite.
- **Protection of windows, doors and roofing.** Installing impact-resistant window and door systems, or simple plywood shutters installed before the storm hits can enhance their ability to resist impacts from wind-borne debris. Hire a professional to evaluate your roof to make sure it can weather a major storm.
- **A “Disaster Survival Kit.”** The kit should include a flashlight, a portable radio, extra batteries, a first-aid kit, non-perishable packaged and canned food, bottled water, a basic tool kit, plastic bags, cash, and a disposable camera to take pictures of the property damage after the storm.

More preparedness tips for businesses, homeowners and renters are available on the SBA's Web site at www.sba.gov/services/disasterassistance/disasterpreparedness/index.html. The Institute for Business and Home Safety (www.ibhs.org) also has information on protecting your home or business. For learn more about developing an emergency plan, visit www.ready.gov or call 1-800-BE-READY to receive free materials.

The SBA makes low-interest loans to homeowners, renters and non-farm businesses of all sizes. 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 up to \$1.5 million, even if the property was not physically damaged.

To learn more about the SBA's disaster assistance program, visit the Web site at <http://www.sba.gov/services/disasterassistance/index.html>.

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