



News Release

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Contact: Anne Marie Frawley (202) 205-6948
Internet Address: <http://www.sba.gov/news>

SBA Loan Approvals for Hurricane Rebuilding Effort Surpass \$9 Billion; 96 Percent of Applications Processed

WASHINGTON – With processing completed on more than 96 percent of applications for rebuilding loans after Hurricanes Katrina, Rita and Wilma devastated the Gulf Coast and Florida, the U.S. Small Business Administration has approved over \$9 billion in financing to the small businesses, homeowners and renters who were victims of the largest disaster in U.S. history.

The record loan volume over the last eight months is more than double what was provided in the agency's previous record disaster response, the Northridge earthquake in 1994, in which \$4 billion in loans were made over a 12-month period.

"We've pledged to stay on the job until it's completed, and that's what we're doing," said SBA Administrator Hector V. Barreto. "This has been an agency-wide effort with thousands of SBA personnel working tirelessly, urgently and with compassion to help the victims of these devastating storms, and I'm proud to say that very soon we will complete processing on virtually all of the applications submitted to us.

"The challenges and obstacles for small businesses continue to be significant in the affected areas," Barreto noted. "Not only do they have to rebuild their facilities and communications networks, but they also have to recover records, find and hire employees, reestablish a client base, and acquire inventory. Still, in New Orleans, as many as half of the residents haven't returned, and there are literally tens of thousands of people who have been approved for loans but haven't decided whether to accept them or not.

"We continue to urge everyone whose loan application has been approved and is ready to start the rebuilding process to call our Customer Service Center at 1-800-659-2955 or e-mail us at disastercustomerservice@sba.gov and arrange for a loan closing. We want to get this money into the hands of the people in the disaster areas as fast as we possibly can."

The application deadline for loans to repair physical damage has passed, but small businesses that suffered financial losses after the hurricanes may still apply for SBA economic injury disaster loans. For small business owners in Louisiana, Alabama and Mississippi affected by Hurricane Katrina, the deadline is May 29; Florida business owners have until June 14 to apply. Small business owners in Louisiana and Texas affected by Hurricane Rita have until June 26 to apply. July 24 is the deadline for Florida businesses that suffered losses after Hurricane Wilma.

Through May 7, the SBA has approved 140,131 disaster loans to homeowners, renters and businesses in the disaster areas, with an approval rate of 42.8 percent. The total includes 120,123 disaster loans for homeowners and renters for \$7.14 billion, and 20,008 loans to businesses for \$1.94 billion. More than \$1.07 billion in loan funds have been disbursed to borrowers.

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