

FACT SHEET

PRESS OFFICE

Release Date: September 12, 2008

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Release Number: 08-92

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

SBA DISASTER ASSISTANCE: POST-GULF COAST HURRICANES REFORMS

WASHINGTON—Following the 2005 Gulf Coast hurricanes (Katrina, Rita and Wilma), the U.S. Small Business Administration experienced significant challenges meeting the demand for its disaster home and business loans. The process backlogged and customer service expectations were not met. Since then, SBA has completely rebuilt its disaster operation, upgraded technology, reformed processes, and leveraged personnel to create a system far better able to handle major disasters and better serve survivors.

PROCESS

- SBA improved customer service, speed, and accountability by discarding the long-used assembly line loan process in favor of integrated teams of loan officers, document preparation clerks, and attorneys. Under this approach, **a case manager is assigned to each borrower** to guide them through the process and address their issues. The new system dramatically accelerates the disaster loan closing and disbursement process and helps each borrower work with a designated SBA staffer throughout the process.
- SBA **increased business disaster loan limits from \$1.5 million to \$2 million** for physical damage loans and economic injury disaster loans combined. In addition, small businesses and non-profits of all sizes may apply for working capital loans to alleviate disaster-related economic injury.
- To enhance the agency's internal coordination and strengthen collaboration between Federal and state partners, SBA **established the Executive Office of Disaster Strategic Planning and Operations**, led by retired Rear Admiral Steve Smith. The office will develop and implement institutional changes to SBA's disaster assistance program that will help the agency provide more timely and effective assistance to survivors.
- Last year, SBA completed **a comprehensive Disaster Recovery Plan** that explains in detail how the agency would handle a major national disaster. The plan includes a rapid deployment mechanism involving SBA employees nationwide, who have been thoroughly trained and understand their roles. The plan was successfully presented to Congress in 2007.

HUMAN RESOURCES

- To ensure SBA has sufficient staff to quickly respond to future emergencies, the agency **established a disaster reserve corps of more than 2,000 trained and experienced individuals** who can quickly staff up disaster field offices in the event of a major disaster. Approximately 900 of these individuals have signed up as reservists and are committed to reporting with 48 hours notice.

- In addition, SBA non-disaster field staff has been trained to process disaster loan applications and perform other disaster assistance functions in the event of a major disaster. Similar training is scheduled for next year.
- The agency's resource partners, including the Small Business Development Centers, SCORE, and the Women's Business Centers, have agreed to support disaster survivors by informing local businesses about additional forms of recovery assistance.
- Through a new partnership with the U.S. Chamber of Commerce to pool resources, SBA will be able to provide swifter and more effective recovery assistance to the business community following a major disaster.
- The agency has secured over 400,000 sq. ft. of space in multiple locations across the country with 180,000 sq. ft. specifically allocated as permanent space for the Processing and Disbursement Center in Fort Worth, TX. This extra space will handle any initial surge requirements while allowing time for the agency to work with GSA to obtain additional space as necessary.

TECHNOLOGY

- The SBA recently **implemented an on-line application for disaster loans** to accelerate the process and ease accessibility of loan applications. The application can be accessed at www.sba.gov.
- When Hurricane Katrina struck, SBA's Disaster Credit Management System's (DCMS) could accommodate only 2,000 simultaneous users. A hardware upgrade last year expanded DCMS's capacity to 12,000 concurrent users.
- To help survivors through the process, the Disaster Customer Service Center in Buffalo implemented a state-of-the-art telecommunications system, streamlined and fine-tuned its processes, and dramatically improved its training programs. **The center now has the capacity to handle 20,000 phone calls per day, up from 10,000 previously.**

To ensure the system works and is well understood across the agency, SBA senior leadership, key staff and federal emergency response partners participated this year in a two-day disaster simulation to test the agency's response to a catastrophic disaster.

Since the 2005 hurricanes, SBA has disbursed more than \$4.9 billion in disaster loans to 102,903 homeowners and renters in the Gulf region. Businesses in the area received 16,828 business disaster loans with disbursements worth \$1.5 billion.

For the latest news and information on SBA's Disaster Assistance program, please visit www.sba.gov/services/disasterassistance.

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