



News Release

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SBA Aims to Boost Private Sector Participation in Disaster Loan Processing

Innovative Initiative Intended to Create Closer Partnership

WASHINGTON – The U.S. Small Business Administration and the Gulf Coast Rebuilding Office today announced the *Disaster Loan Partners Initiative*, designed to increase the role of private sector financial institutions in the hurricane recovery efforts throughout the Gulf region.

SBA will solicit bids from local banks and other entities for contracts to assist in processing SBA disaster loans. The contract is designed to complement the loan processing currently under way by SBA's Office of Disaster Assistance and field offices throughout the country as a result of last year's devastating hurricanes affecting the Gulf Coast.

SBA is issuing a request for proposals (RFP) for assistance in loan processing and closing functions through the disaster loan program as a result of the devastation caused by Hurricanes Katrina, Rita and Wilma. To date, the SBA has received more than 381,000 applications, with a total of over 400,000 expected before the March 11 filing deadline.

"SBA is committed to delivering aid as quickly as possible to those in need," said SBA Administrator Hector V. Barreto. "We have heard the offers of the private sector, and have discussed the needs and available resources. This partnership with the private sector will allow local financial institutions to become more involved in the rebuilding efforts. We believe they know their communities best and we are eager to engage them in this initiative."

"This SBA contract for assistance in processing loan requests will help the agency further ramp up its capacity to get loans out to the people who stand ready to roll up their sleeves and rebuild," said Federal Coordinator for Gulf Coast Rebuilding Donald E. Powell. "This will help expedite the provision of credit needed to stimulate growth and forward momentum in the economy of the region."

Multiple contracts will be awarded by the SBA and the selected contractors. The contract runs through Sept. 30, 2006, but will have four option years.

To date, the SBA has processed over 245,000 disaster loan applications in six months. Disaster loans have been processed for 147,000 victims in Louisiana, followed by 61,000 for Mississippi, 7,000 for Alabama, 17,000 for Texas and 13,000 for Florida.

Complete details on the solicitation for bids, including the statement of work, will be available tomorrow at www.fedbizopps.gov.