



News Release

PRESS OFFICE

Release Date: March 1, 2006
Release Number: 06-15

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

Six Months After Katrina, SBA Approves A Record \$5.4 Billion in Disaster Loans

WASHINGTON – Six months after Hurricanes Katrina, Rita and Wilma devastated the Gulf Coast and Florida, the U.S. Small Business Administration has approved \$5.4 billion in low-interest loans to the victims.

The SBA has approved more than 76,200 disaster loans to homeowners, renters and businesses in the disaster area. The total includes more than 60,000 disaster loans for homeowners and renters for \$4 billion, and more than 15,400 loans to businesses for \$1.36 billion. In the SBA's guaranteed working capital and real estate/fixed asset loan programs, the agency has delivered \$400 million in loans to small businesses in the declared disaster areas. Together, these programs mean the SBA has approved a total of \$1.76 billion in loans to businesses in the declared disaster areas.

“The SBA has acted and mobilized like never before to respond to the tremendous needs of the residents of the Gulf Coast disaster areas,” said SBA Administrator Hector V. Barreto. “Our response has been agency-wide, from the 4,250 people working in our Office of Disaster Assistance plus hundreds of staff in our district offices across the country who are helping to process loans. As we have said from the beginning, we will stay focused on the job and our responsibilities until our work is complete.”

The SBA has surpassed by more than \$1 billion what was previously the largest response (in dollars approved) in its history, the 1994 Northridge Earthquake in California. Following that disaster, it took one year to process 250,000 applications. In its response to the 2005 Gulf Coast hurricanes, the SBA has processed the more than 251,000 applications in only six months.

More than 86 percent of the business disaster loan applications received to date have been processed. More than 269,600 damaged properties have been inspected.

Louisiana has the most in approved disaster loans at \$3.36 billion, followed by Mississippi at \$1.68 billion. The SBA also has approved \$142 million in disaster loans in Florida, \$113.3 million in Texas and \$90 million in Alabama.

“We will continue to do everything in our power to provide the needed resources and speed the recovery of the Gulf Coast,” said Barreto. “We want to remind all those eligible that the application deadline for physical damage loans is March 11, and we also want to urge applicants whose loans have already been approved to schedule their loan closings as soon as possible so that the rebuilding of their communities can proceed in earnest.”

Applicants can check the status of their SBA disaster loan applications by calling 1-800-659-2955 or e-mailing SBA at disastercustomerservice@sba.gov.