

New Tool to Increase Loans to Small Businesses in the Gulf Coast Area

The U.S. Small Business Administration is initiating the Gulf Opportunity Pilot Loan (GO Loan) Program to expedite small business financing to those communities severely impacted by Hurricanes Katrina and Rita. Under this unique initiative, the Agency will provide its full guaranty and streamlined and centralized loan processing to qualified lending partners that agree to make expedited SBA 7(a) loans available to small businesses located in those disaster areas.

GO Loan Features

- ✓ **Targeted Relief for Small Businesses:** Eligible small businesses must be located in, locating to or re-locating in counties or parishes, including any contiguous counties or parishes, declared major disaster areas as a result of Hurricanes Katrina and Rita. Maximum loan amount is \$150,000.
- ✓ **SBA's Most Favorable Guarantee:** SBA's full 85 percent guaranty applies.
- ✓ **Thousands of Lenders Eligible Immediately:** All approved SBAExpress lenders are eligible to participate in the pilot without further approval from SBA. Other lenders may also participate.
- ✓ **Streamlined Paperwork for Lenders and Borrowers:** Lenders use mostly their own procedures and paperwork. Lenders perform credit analysis and may use credit scoring. Participants are encouraged to utilize Internet and E-Tran (or Fax) to transmit applications to SBA.
- ✓ **Expedited Processes for Lenders to Join Pilot:** Preferred Lender Program (PLP) lenders may request expedited processing for approval to participate in GO Loan.

Additional Information

For more information on the GO Loan pilot and authority to participate, please refer to GO Loan pilot materials at www.sba.gov/banking.