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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350

January 22, 2007

The Honorable Richard Durbin
Chairman
Subcommittee on Financial Services
and General Government
332 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Sam Brownback
Ranking Member
Subcommittee on Financial Services
and General Government
303 Hart Senate Office Building
Washington, DC 20510

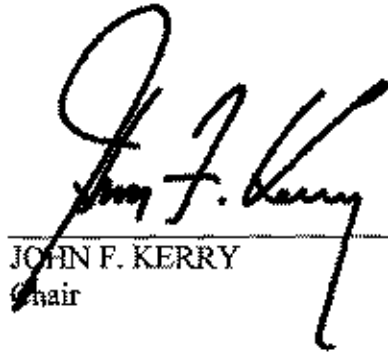
Congratulations on your recent appointments as Chair and Ranking Member of the Subcommittee on Financial Services and General Government. As Chair and Ranking Member of the Senate Committee on Small Business and Entrepreneurship, we look forward to working with you on issues concerning the Small Business Administration (SBA).

As members of the Committee responsible for overseeing the SBA, we are concerned about the Fiscal Year 2007 funding level for the SBA's disaster loan program, which serves as the Federal government's primary source for long-term disaster recovery. This vital program provides low-interest loans to homeowners and business owners adversely affected by disasters, and it is a pivotal resource for disaster victims during the recovery process. It is our understanding that before the end of February, Congress must supply the SBA's disaster assistance program with either the authority to transfer funds from Fiscal Year 2006 emergency supplemental appropriations to the Disaster administrative account or appropriate additional funding. We urge the Subcommittee to act immediately and provide the necessary funding for the SBA's disaster administrative expenses in the upcoming Continuing Resolution, otherwise the agency will be forced to shut down the disaster loan program.

The SBA has disbursed nearly \$5 billion in loans to victims of the 2005 Gulf Coast Hurricanes, and in the coming months, this critical disaster response program will be needed again. Governor Schwarzenegger has also asked the SBA to make loans available to businesses dependent on California's citrus crop, which is estimated to have sustained nearly one billion dollars in losses this year. Without the SBA's disaster loan program, businesses affected by these and other disasters will not be able to access the assistance needed to keep their doors open during difficult economic times.

We understand you are working with SBA to find a solution to this problem. We urge you to take the steps necessary to keep the SBA's disaster assistance program operating at full capacity and allow the agency to remain at the forefront of disaster relief efforts. If you have any questions about this letter please contact us directly or have your staff contact Naomi Baum, majority staff director or Wally Hsueh, minority staff director of the Committee, at (202) 224-5175.

Sincerely,



JOHN F. KERRY
Chair



OLYMPIA J. SNOWE
Ranking Member