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United States Senate

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

August 19, 2004

VIA FACSIMILE & FIRST-CLASS MAIL

The Honorable Hector V. Barreto
Administrator
Small Business Administration
409 Third Street, S.W.
Washington, D.C. 20416

Re: Staffing and Funding of SBA's Disaster and 7(a) Loan Programs

Dear Administrator Barreto:

I am writing to request a briefing and reports regarding the Agency's loan programs, particularly its Disaster Loan Program. As you know, pursuant to section 10 of the Small Business Act, 15 U.S.C. 639, the SBA is required to report to our Committee and the House Committee on Small Business annually and monthly on the usage and demand of all the loan programs. I have not received those reports, and I am concerned about small businesses that need the disaster loan program and access to capital through the 7(a) loan program. I want to make sure that these programs have adequate staffing and funding through the end of the year.

Would you please arrange for a briefing between our staffs for Tuesday, August 24, 2004. I ask that your staff bring the statutorily required reports and also be prepared to answer the following questions that are specific to the staffing and funding of the Agency's disaster loan program.

- Of the amounts appropriated for disaster loans (including carryover from FY 2003), how much was actually allocated to the disaster loan program for fiscal year 2004 to date (October 1, 2003 to August 1, 2004)? How much had been allocated at this time last year for fiscal year 2003 (October 1, 2002 to August 1, 2003)? Please identify for each time period how much was allocated for the disaster loans themselves, for administrative costs of making the disaster loans, and for administrative costs of servicing such loans.
- How many disasters have been declared this fiscal year and where were they? How many disasters had been declared at this time last fiscal year?
- How many disaster loans have been disbursed to date in this fiscal year? What is the total dollar amount of these loans? What percentage of the total disaster loan allocation does this account for? Please provide the same information for last year.

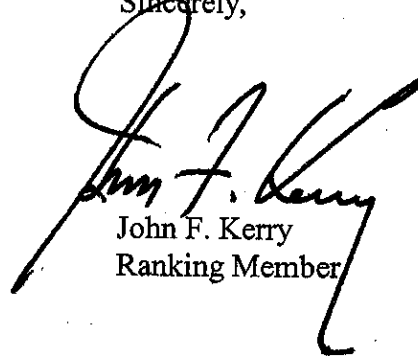
- For this fiscal year, please provide a state-by-state breakdown of all disaster loans disbursed as of August 1, 2004. For each state, include the total number of disaster loans, the total dollar amount of these loans, and the percentage of the total allocation. Please provide the same information for the same time period in fiscal year 2003 (October 1, 2002 to August 1, 2003).

For both the SBA's disaster loan program and its 7(a) Loan Guarantee Program:

- Does the SBA have enough funding to meet anticipated demand through the end of the fiscal year? Has the Agency sent up a request for additional funding or reprogramming for either program? If not, does the SBA plan to send up such a request? If yes, please identify how much was requested and provide a copy of the request prior to the briefing.

To set up the meeting time, or to ask questions, your staff should contact Patricia R. Forbes, Democratic Staff Director and Chief Counsel, at (202) 224-8496. Thank you for your prompt attention to this request.

Sincerely,



John F. Kerry
Ranking Member