



U.S. SMALL BUSINESS ADMINISTRATION  
WASHINGTON, D.C. 20416

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OFFICE OF THE ADMINISTRATOR

The Honorable John F. Kerry  
Ranking Member  
Committee on Small Business and Entrepreneurship  
United States Senate  
Washington, DC 20510

Dear Senator Kerry:

Thank you for your letter of October 6, 2005 requesting an increase in the maximum disaster loan amount available for homeowners and renters who suffered damage from Hurricanes Katrina and Rita.

As you know, 13 CFR 123.105 allows homeowners to borrow a maximum of \$200,000 to repair/replace disaster-damaged real estate. In cases of substantial damage, homeowners may be eligible for up to an additional \$200,000 for refinancing of prior liens. Homeowners and renters may also borrow a maximum of \$40,000 for disaster-damaged personal property.

To date, the average home loan for Katrina/Rita has only been \$68,000 and we have seen no evidence of a demand for larger loans

The U.S. Small Business Administration (SBA) wishes to provide service that meets the needs of homeowners and renters who suffered damage in these devastating disasters. The SBA looks forward to working with the Congress in providing assistance to victims of the two disasters.

We appreciate your continued support of the SBA Disaster Assistance Program. If you or your staff have additional questions, please contact Will Meade in our Office of Congressional and Legislative Affairs at (202) 205-6700.

Sincerely,

Hector V. Barreto  
Administrator

