



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

OFFICE OF THE ADMINISTRATOR

The Honorable John F. Kerry
Ranking Member
Committee on Small Business and Entrepreneurship
United States Senate
Washington, D.C. 20510-6350

Dear Senator Kerry:

Thank you for your letter of April 7, 2006 requesting further information about the Small Business Administration (SBA) Disaster Loan program funding. As you know, we recently passed the \$8 billion mark in loan approvals for the Gulf Coast region affected by Hurricanes Katrina, Rita and Wilma. The Agency has now processed 90 percent of the applications from the region that have been received.

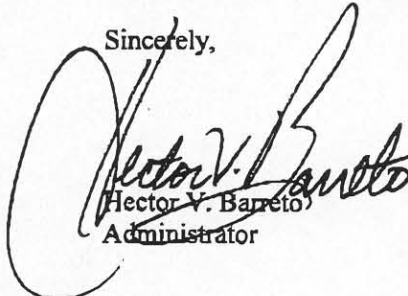
As the daily disaster lending reports, that we submitted to your staff indicate, at today's rate of approvals, loan funds on-hand will last for a little over 27 days as of April 24, 2006. However, factors do change and this estimate can also change. That is why the daily report on disaster loan funding reflects "days left at daily average" which reflects the number of days before loan subsidy is depleted. We have enclosed copies of reports for each working day for both the Disaster Assistance Report, which began distribution on September 9, 2005, and the Disaster Assistance Funds Report, which began dissemination on March 10, 2006, in case there are any gaps in your records.

Additionally, as discussed with your staff on previous occasions, administrative cost estimates are updated on a monthly basis because of the nature of government accounting. To provide anything more frequently than that would not reflect an accurate account of the information you are seeking because large expenses like salaries, rent and travel costs are accounted for monthly and sometimes quarterly. The first monthly figures available since your February 28, 2006 letter are enclosed.

If Congress should fail to pass a supplemental appropriations bill prior to the depletion of disaster loan subsidy, the SBA will continue to process remaining loans, but will withhold its approval. When funding becomes available, we can then issue approvals and move forward.

Again, thank you for your letter. If you have any further questions please have a member of your staff contact C. Edward (Tee) Rowe, Associate Administrator in the SBA's Office of Congressional and Legislative Affairs at (202) 205-6700.

Sincerely,



Hector V. Barreto
Administrator

Enclosure



**Small Business Administration
Disaster Loan Servicing Administrative Expenses
Finance Report
October 1, 2005 - March 31, 2006
(In Dollars)**

	Compensation and Benefits	Operating Expenses 1/	Total
District Offices	\$ 28,363	\$ -	\$ 28,363
Headquarters Offices	682,692	8,488,931	9,171,623
Servicing Centers	3,523,887	1,670,380	5,194,267
Total	\$ 4,234,942	\$ 10,159,311	\$ 14,394,253

**1/Includes Rent, Telecommunications, Postage/FedEx, Contracts,
Workers' Compensation, Unemployment, etc.**

Small Business Administration
Disaster Loan Making Administrative Expenses
Finance Report
October 1, 2005 - March 31, 2006
(In Dollars)

	Compensation and Benefits	Operating Expenses 1/	Total
Headquarters Offices	\$ 3,011,225	\$ 21,751,503	\$ 24,762,728
Buffalo Customer Service Center	6,651,341	2,037,093	8,688,434
Atlanta Field Operations Center-East	14,929,326	9,961,007	24,890,332
Fort Worth Loan Processing and Disbursement Center	69,899,776	26,522,270	96,422,047
Sacramento Field Operations Center-West	18,662,095	12,446,799	31,108,894
Disaster Credit Management Operations Center	895,814	20,101,350	20,997,164
Personnel and Administrative Service Center	0	200,000	200,000
Field Inspection Team	30,193,642	32,139,186	62,332,828
Total	\$ 144,243,219	\$ 125,159,208	\$ 269,402,427

**1/Includes Rent, Telecommunications, Postage/FedEx, Contracts,
Workers' Compensation, Unemployment, etc.**