

OLYMPIA J. SNOWE, MAINE, CHAIR  
JOHN F. KERRY, MASSACHUSETTS, RANKING MEMBER

CHRISTOPHER S. BOND, MISSOURI  
CONRAD BURNS, MONTANA  
GEORGE ALLEN, VIRGINIA  
NORM COLEMAN, MINNESOTA  
JOHN THUNE, SOUTH DAKOTA  
JOHNNY ISAKSON, GEORGIA  
DAVID VITTER, LOUISIANA  
MICHAEL ENZI, WYOMING  
JOHN CORNYN, TEXAS

CARL LEVIN, MICHIGAN  
TOM HARKIN, IOWA  
JOSEPH I. LIEBERMAN, CONNECTICUT  
MARY LANDRIEU, LOUISIANA  
MARIA CANTWELL, WASHINGTON  
EVAN BAYH, INDIANA  
MARK PRYOR, ARKANSAS

WESTON J. COULAM, REPUBLICAN STAFF DIRECTOR  
NAOMI BAUM, DEMOCRATIC STAFF DIRECTOR

## United States Senate

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

October 6, 2005

The Honorable Hector V. Barreto  
Administrator  
U.S. Small Business Administration  
409 Third Street, SW  
Washington, DC 20416

Dear Administrator Barreto:

This letter requests that the Small Business Administration raise the maximum loan amounts available to homeowners and renters under the current SBA disaster loan regulations. As of January 2005, 13 CFR § 123.105 allows homeowners to borrow a maximum of \$200,000 to repair or replace their primary residence in the wake of a disaster. Additionally, homeowners and renters are eligible to borrow a maximum of \$40,000 to replace lost or damaged personal affects. The Senate Committee on Small Business and Entrepreneurship has received a number of requests to increase these caps because they vastly understate the needs of individuals affected by Hurricanes Katrina and Rita.

We believe that increasing the maximum loan amounts is necessary because the \$200,000 and \$40,000 limits are not nearly enough to replace the homes and property of many individuals in the Gulf Region. As the regulation was last revised 1993, we feel that increasing the maximum loan amounts is necessary to ensure that loan caps fairly reflect rising housing costs in the Gulf region, account for twelve years of inflation and meet the scope of devastation on the Gulf Coast. Now is clearly the time to make such changes.

Hurricanes Katrina and Rita caused extensive damage and left countless individuals without the means to rebuild their homes, businesses and lives. It is imperative that the SBA expand its efforts to assist these disaster victims by enabling them to borrow enough money to continue their livelihoods in the Gulf region. The United States Senate recently passed legislation that raises the maximum small business loan amount from \$1.5 million to \$10 million in the affected region, in the hope that this will lead to the quick return of many small businesses to the Gulf Coast. We believe that increasing the SBA homeowner loan caps is another crucial step to meet the needs of disaster victims.


We thank you for your consideration of this request and hope that you will respond by raising the loan amounts without delay so that we may expedite assistance to those homeowners who need it most. We ask that you respond by October 14, 2005.

Sincerely,



---

Mary L. Landrieu



---

John F. Kerry