



News Release

PRESS OFFICE

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SBA Launches GO Loan Pilot Program to Strengthen Banks' Role in Accelerating Small Business Recovery

WASHINGTON – Small businesses in areas affected by Hurricanes Katrina and Rita will be eligible for a unique new U.S. Small Business Administration-backed loan of up to \$150,000 that is being launched this week to help speed financing for recovery and rebuilding. The loans will be delivered through local banks and will be handled under an expedited process that can deliver a response in 24 hours or less.

“Through my visits with small business owners in the Gulf Coast it has become clear that the unprecedented scope and magnitude of these twin disasters requires a more creative response beyond our traditional disaster loan program,” said SBA Administrator Hector V. Barreto. “The GO Loan program will unleash the liquidity and expertise of commercial banks. We are going to get financing to small businesses as quickly as we can so that they can continue with the urgent reconstruction of their local economies.”

GO Loans will be available through Sept. 30, 2006, to small businesses in the counties and parishes of Texas, Louisiana, Mississippi, Alabama and western Florida that are included in the Presidential disaster declarations for Hurricanes Katrina and Rita, and the contiguous counties and parishes.

The loans will be modeled on *SBAExpress* loans, which are made by commercial lenders and carry an SBA guarantee. For the GO Loan program, the SBA guaranty percentage will be 85 percent. Under the program, lenders will generally use their own paperwork and be responsible for evaluating the creditworthiness of applicants. The decision on whether to apply an SBA guaranty to the loans will be made on an expedited basis, with an anticipated turnaround by the SBA of 24 hours or less.

While the SBA does not set the interest rate on the loans, it does prescribe maximum rates the bank may charge. The actual rate is negotiated between the lender and the borrower. Repayment terms are generally between five and 25 years depending on the life of the assets being financed and the cash needs of the business. Working capital loans (inventory and accounts receivable) should be repaid in five to 10 years.

All lenders that are authorized to make SBA-backed loans under the *SBAExpress* program will be eligible to make GO Loans. About 40 percent of SBA lenders are currently eligible. To identify an authorized lender in your area, contact your local SBA District Office or visit the SBA Web site at www.sba.gov/financing/goloans. SBA is streamlining its requirements for bank eligibility.

(more)

Small businesses in the following parishes and counties are eligible to apply for GO Loans:

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ALABAMA

Alabama	Baldwin	Bibb	Choctaw
Clarke	Dallas	Escambia	Fayette
Greene	Hale	Jefferson	Lamar
Marengo	Mobile	Monroe	Perry
Pickens	Sumter	Tuscaloosa	Walker
Washington	Wilcox		

LOUISIANA

Acadia	Allen	Ascension	Assumption
Avoyelles	Beauregard	Calcasieu	Cameron
Concordia	DeSoto	East Baton Rouge	East Carroll
East Feliciana	Evangeline	Iberia	Iberville
Jefferson	Jefferson Davis	Lafayette	LaFourche
Livingston	Madison	Natchitoches	Orleans
Plaquemines	Point Coupee	Rapides	Sabine
St. Bernard	St. Charles	St. Helena	St. James
St. John the Baptist	St. Landry	St. Martin	St. Mary
St. Tammany	Tangipahoa	Terrebonne	Tensas
Vermillion	Vernon	Washington	West Baton Rouge
West Feliciana			

MISSISSIPPI

Adams	Amite	Attala	Carroll
Choctaw	Claiborne	Clarke	Clay
Copiah	Covington	Franklin	Forrest
George	Greene	Hancock	Harrison
Holmes	Humphreys	Hinds	Issaquena
Jackson	Jasper	Jefferson	Jefferson Davis
Jones	Kemper	Lamar	Lauderdale
Lawrence	Leake	LeFlore	Lincoln
Lowndes	Madison	Marion	Monroe
Montgomery	Neshoba	Newton	Noxubee
Oktober	Pearl River	Perry	Pike
Rankin	Scott	Sharkey	Simpson
Smith	Stone	Sunflower	Walthall
Warren	Washington	Wayne	Webster
Wilkinson	Winston	Yazoo	

TEXAS

Angelina	Austin	Brazoria	Chambers
Cherokee	Fort Bend	Galveston	Grimes
Hardin	Harris	Houston	Jasper
Jefferson	Liberty	Madison	Matagorda
Montgomery	Nacogdoches	Newton	Orange
Panola	Polk	Rusk	Sabine
San Augustine	San Jacinto	Shelby	Trinity
Tyler	Walker	Waller	Wharton

FLORIDA

Escambia

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