



News Release

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SBA Tops \$8 Billion in Disaster Loan Approvals Following 2005 Hurricanes

WASHINGTON – More than \$8 billion in long-term recovery and rebuilding loans have been approved by the U.S. Small Business Administration to more than 121,300 victims since Hurricane Katrina made landfall at the end of August 2005. The record loan volume over the last seven months is double what was provided in the agency’s previous record disaster response, the Northridge earthquake in 1994, in which \$4 billion in loans were made over a 12-month period.

SBA offers low-interest long-term rebuilding and reconstruction loans to homeowners, renters and businesses through its disaster loan program. The SBA has processed over 92 percent of the loan applications received for businesses. Almost 90 percent of the overall applications received to date have been processed. More than 407,500 loan applications have been received.

“As we’ve said from the beginning, we’re going to stay on the job until it’s complete,” said SBA Administrator Hector V. Barreto. “We’ve made this disaster response an agency-wide effort with thousands of SBA personnel working tirelessly, urgently and with compassion to help the victims of these devastating storms. I am pleased to say that soon we will complete the massive job of processing these disaster loans.”

More than \$1.76 billion in disaster loans have been approved for businesses and more than \$6.3 billion has been approved for homeowners and renters. SBA’s regular loan programs also have made more than \$385 million in loans to small businesses in the region.

Louisiana has the highest amount in approved loans at \$5.1 billion, followed by Mississippi, with \$2.1 billion. Approvals in Florida total \$475 million, followed by Texas with \$270 million and Alabama with \$109.7 million.

“We are very committed to do everything in our power and authority to get the money into the hands of the people in the disaster areas as fast as we can,” said Barreto. “We strongly urge applicants whose loans have been approved, and who are ready to start the rebuilding process, to contact our Customer Service Center at 1-800-659-2955 so we can schedule their loan closings and they can put the money to work.”

Although the deadline for applying for loans to repair physical damage has passed, small business owners who suffered financial losses after the hurricanes may still apply for SBA economic injury disaster loans. For small business owners in Louisiana, Alabama and Mississippi affected by Hurricane Katrina, the deadline is May 29; Florida business owners have until June 14 to apply. Small business owners in Louisiana and Texas affected by Hurricane Rita have until June 26 to apply. July 24 is the deadline for Florida businesses that suffered losses after Hurricane Wilma. For information on applying for economic injury disaster loan, contact SBA’s Customer Service Center at 1-800-659-2955. For complete details about the SBA’s disaster assistance program following the hurricanes, please visit: http://www.sba.gov/disaster_recov/hurricanes.