

SBA Disaster Assistance: How we have changed since 2005

OVERVIEW

After a disaster, SBA plays a major role helping affected communities get back on their feet. The agency's Disaster Assistance program provides a wide range of services:

- Disaster loans to homeowners, businesses, and renters;
- Standard SBA loans to either start or grow a small business;
- Counseling and entrepreneurial development for small business owners;
- Assistance to small businesses seeking federal contracting opportunities.

DISASTER ASSISTANCE REFORMS

SBA, like government at every level, was overwhelmed in the aftermath of the 2005 Gulf Coast hurricanes which required loan approvals twice as high, in dollar terms, than the next largest disaster in agency history. In the last year, the Disaster Assistance program has been reengineered to produce a more effective and efficient customer response.

- Last summer, Administrator Steve Preston directed a full loan process redesign. All remaining 94,000 borrowers backlogged in SBA's process were contacted and assigned a case manager to assist them. All case managers were supported by dedicated teams of attorneys and loan officers to expedite decisions, improve internal communications, and enhance quality. Managers were given targets and incentives to disburse loans or bring them up-to-date. They also documented in detail where each borrower was in the loan process, borrower challenges, and other observations.
- As a testament to the new process' success, 99 percent of approved loan applicants have now either received some of their money or chose not to proceed with their loans.
- In 2005, SBA's new Disaster Credit Management System (DCMS) could accommodate only 2,000 concurrent users. A hardware upgrade last year has expanded the system's capacity to handle catastrophic disasters, meaning 8,000 concurrent users can now access the system.
- The SBA has also established a disaster reserve corps of 3,000 trained and experienced individuals who can quickly staff up disaster field offices in the event of a major disaster.
- SBA non-disaster field staff is being trained to process disaster loan applications and perform other disaster assistance functions in the event of a major disaster. In addition, SBA's resource partners -- which include the Small Business Development Centers, SCORE, and the Women's Business Centers -- are planning to provide information to local business communities about additional forms of recovery assistance.

SBA DISASTER ASSISTANCE (Cont.)

- SBA presented a Disaster Recovery Plan to Congress June 1 outlining the agency's response to catastrophic disasters. The plan sheds light on surge and communications strategies which are integral to response to catastrophic disaster events.

ONGOING COMMITMENTS

- Business owners who missed last July's application deadline to apply for SBA Economic Injury Disaster Loans have another opportunity. The new deadline is December 31, 2007. The application is available at <http://www.sba.gov/services/disasterassistance/basics/howtoapply/index.html>. Interested applicants can also call the agency's Customer Service Center at 1-800-659-2955, or send an email to disastercustomerservice@sba.gov to receive an application.
- SBA recently established a partnership with the U.S. Chamber of Commerce, pooling resources to provide swift and effective recovery assistance to the business community following a major disaster.
- The agency has improved its communications outreach so people know SBA is a resource they can count on. We are educating the public about our resources and hurricane preparedness through the media, public service announcements and our web site.
- For the latest news and information on SBA's Disaster Assistance program, please visit <http://www.sba.gov/services/disasterassistance/index.html>.

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