



News Release

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SBA Alerts Gulf Coast Disaster Loan Borrowers to Bogus Financial Service Provider Notices

WASHINGTON – A number of Gulf Coast residents who received disaster loans from the U.S. Small Business Administration after the 2005 hurricanes have received false or inaccurate loan default notices from companies claiming to provide services to those facing financial difficulty. The letters falsely suggest that foreclosure, auction or eviction actions are pending against the borrower.

The SBA has reviewed the loan records for some of the disaster borrowers who received these notices. The agency's records do not indicate that the borrowers are in default of their SBA loan, or that any foreclosure, auction or eviction actions are pending against them.

The services allegedly being offered to SBA disaster loan borrowers by these companies include loan modifications and adjusted repayment plans. If an SBA disaster loan borrower is considering using such services, he or she should first determine if their loan is in default and verify the accuracy of the notice before responding to offers of assistance.

“The SBA will not tolerate the defrauding of borrowers working hard to rebuild their lives,” said SBA Administrator Steven Preston. “Meanwhile, it’s equally important for disaster loan borrowers to be aware of the scams circulating and thoroughly investigate suspicious offers of assistance.”

SBA disaster loan borrowers who have been contacted by companies offering loss protection services should contact the SBA’s Disaster Customer Service center at 1-800-659-2955, or 1-800-877-8339 for the speech and hearing impaired. Both phone lines are available 8 a.m. to 9 p.m. EDT, Monday through Friday. Questions or complaints can also be e-mailed to disastercustomerservice@sba.gov. Those who have general questions about the repayment of disaster loans received after Hurricanes Katrina, Rita or Wilma may also contact the customer service center.

To learn more about the SBA’s disaster assistance program visit the Web site at <http://www.sba.gov/services/disasterassistance/index.html>.

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