



News Release

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SBA Administrator Offers Economic Injury Assistance to Mississippi Small Businesses Affected by Deepwater BP Oil Spill

Small businesses can request deferrals on existing SBA disaster loans

WASHINGTON – SBA Administrator Karen Mills announced today the agency is making low-interest loans available to Mississippi small businesses near the Gulf of Mexico suffering financial losses following the April 20 Deepwater BP oil spill that shut down commercial and recreational fishing along the state’s southeast coast.

Mills acted under the SBA’s authority to offer economic injury assistance in response to a May 12 request from Gov. Haley Barbour. Mills’ declaration, signed yesterday, makes SBA’s Economic Injury Disaster Loans (EIDL) available immediately to help meet the financial needs of qualifying small businesses following the oil spill.

“With the region still recovering from previous devastation and the national recession of the last couple years, it’s critical that we take every step we can to provide small businesses with resources to make it through this latest crisis so they can continue to drive local economic growth and provide good-paying jobs,” Mills said.

Mills’ declaration covers the primary Mississippi counties of **George, Hancock, Harrison, Jackson, Pearl River and Stone**. The neighboring counties of **Forrest, Greene, Lamar, Marion and Perry** in Mississippi; **Mobile** County in Alabama, and the Louisiana parishes of **Saint Tammany and Washington** are also included in this declaration.

With the EIDL program, SBA is offering working capital loans up to \$2 million at an interest rate of 4 percent with terms up to 30 years. Businesses in designated counties must demonstrate economic injury as part of their loan application. The loans may be used by small businesses that are unable to obtain to pay fixed debts, payroll, accounts payable and other bills that can’t be paid because of the disaster’s impact. These loans can provide vital economic assistance to fishing and fishing-dependent businesses to help overcome the temporary loss of revenue they are experiencing. SBA encourages businesses to also file claims with BP. Borrowers may be required to use any claim payments to help repay these SBA loans.

Eligible small businesses include those engaged in shrimping, crabbing and oyster fishing in the waters affected by the closure (employees or crew members are not small businesses and are not eligible); small businesses dependent on the catching or sale of shrimp, crabs and oysters, suppliers of fishing gear and fuel; docks, boatyards, processors, wholesalers, shippers, retailers and other small businesses dependent on revenue from fishing, recreational and sports fishing small businesses, and coastal small businesses.

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Understanding the financial challenges many of these business owners currently face, the SBA is also strongly encouraging its participating 7(a) lenders and Certified Development Companies (CDCs) to consider on a case-by-case basis deferment relief for borrowers with SBA-guaranteed 7(a) loans and 504 loans. Small businesses seeking a deferral on a 7(a) or 504 loan are encouraged to contact their lenders for information.

Small businesses in the area who are repaying SBA disaster loans may also be eligible for a deferment, on a case-by-case basis. For information on seeking a disaster loan deferment, call the SBA's Disaster Customer Service Center at (800) 659-2955.

The SBA will announce the location of several Business Recovery Centers in the affected communities within the next few days. SBA customer service representatives will be available at each center to meet with business owners to answer questions about the disaster loan program, issue applications and help them complete the forms.

“We will be in Mississippi as long as we are needed and until we get the job done,” Mills said.

Or they may obtain loan information and application forms by either calling SBA's Customer Service Center at (800) 659-2955 (800-877-8339 for the hearing impaired), e-mailing disastercustomerservice@sba.gov, or visiting SBA's Web site at www.sba.gov/services/disasterassistance.

The deadline to apply for these loans is Feb. 14, 2011.

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