



DISASTER NEWS

Loans for Homeowners, Renters and Businesses of all Sizes

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Contacts: Frank Adinolfi or Matt Young

Phone: 404-909-0460 or 404-347-3771

SBA DISASTER ASSISTANCE REACHES MAJOR MILESTONES

APPLICATIONS FOR HURRICANE CHARLEY ECLIPSE ANDREW; MORE THAN \$6 MILLION IN LOANS APPROVED

ORLANDO, Fla. – Only two and a half weeks after Tropical Storm Bonnie and Hurricane Charley pummeled Florida, the U.S. Small Business Administration (SBA) has approved more than \$6.4 million in disaster loans and has issued more loan applications to victims of these storms than during all of Hurricane Andrew. To date, SBA has issued 124,278 applications. In 1992, the Agency issued 110,539 applications to the residents of Florida following Andrew.

“This is a graphic illustration of how many Floridians were affected, and how urgently help is needed,” said Michael C. Allen, SBA disaster area director. “We are working hard to get money into the hands of those who need it quickly,” Allen continued, noting that the first checks for approved disaster loans were issued to disaster victims in Ft. Myers, Port Charlotte and Punta Gorda late last week.

SBA is the primary source of long-term recovery assistance for homeowners, renters, non-farm businesses of all sizes, and private nonprofit organizations that had losses due to the disaster. Anyone with damage caused by the storm should register first with FEMA by calling 1-800-621-FEMA, then complete and return the SBA loan application.

Disaster victims with insurance should not wait for a settlement before applying to SBA. If they do not know how much of their loss will be covered by insurance or other sources, SBA will consider making a loan for the full amount of a victim’s loss -- up to its loan limits -- provided that the borrower agrees to use insurance proceeds to reduce the amount of their SBA loan.

SBA low-interest disaster loans for uninsured or otherwise uncompensated losses are available to qualified renters, homeowners, landlords, businesses owners, and nonprofit organizations that suffered damage or loss due to the disaster. Interest rates can be as low as 3.187 percent for homeowners and renters and 2.900 percent for businesses. Loan terms can be up to 30 years. Actual loan amounts and terms are set by the SBA, and are based on each applicant’s financial condition.

SBA also offers mitigation funds to disaster victims that have approved disaster loans. SBA mitigation funds are designed to help borrowers fund protective measures to prevent damages of the same kind from recurring in the future. To help fund these protective measures, borrowers may request an additional 20 percent of their approved loan amount.

For more information visit SBA’s website at www.sba.gov/disaster

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SBA Disaster Assistance Office - Area 2—One Baltimore Place, Suite 300—Atlanta, GA 30308