



NEWS RELEASE

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SMALL BUSINESSES ACROSS THE COUNTRY CAN APPLY FOR SBA ECONOMIC INJURY DISASTER LOANS IN WAKE OF SEPTEMBER 11TH TERRORIST ATTACKS

WASHINGTON – Prompted by the widespread economic impact of the terrorist attacks on New York City and the Pentagon, the U.S. Small Business Administration has widened access to Economic Injury Disaster Loans (EIDLs) to small businesses across the country.

This action represents a major, unprecedented change in the disaster loan program. Currently, only businesses located in the communities declared disaster areas by the President (New York City and adjacent counties in New Jersey, Connecticut, Pennsylvania and Massachusetts; Arlington County in Virginia and adjacent counties in Virginia, Maryland and the District of Columbia) are eligible to apply for disaster loan assistance from the SBA.

On October 22 the SBA will publish regulations to authorize EIDL assistance across the country to eligible small businesses that have suffered substantial economic injury as a direct result of these attacks or a Federal action taken directly after the attacks. EIDLs will provide eligible small businesses with the working capital needed to pay ordinary and necessary operating expenses that they would have been able to pay had the disaster not occurred.

The application deadline is January 21, 2002.

“As a result of the events of September 11th, President Bush recognized the need to help businesses beyond the immediate disaster area,” said SBA Administrator Hector V. Barreto.

“I’ve heard from small business owners all over the country who have suffered losses. The President believes that the wider availability of these loans will provide the necessary capital small businesses need in a quick and efficient manner,” said Barreto. **“With the expansion of SBA’s economic injury disaster loan program, small businesses across the country can receive help.”**

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Small businesses may apply for a loan of up to \$1.5 million if they have suffered substantial economic injury in the aftermath of last month's terrorist attacks. These working capital loans may be used to pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred. The interest rate on these loans is 4 percent, with a maximum term of 30 years. The SBA determines the amount of economic injury, the term of each loan and the payment amount, based on the financial circumstances of each borrower.

Businesses interested in applying for an economic injury disaster loan can contact one of the four SBA disaster area offices to obtain an application. Below are the phone numbers for the offices, and the states each office serves:

Niagara Falls, NY 14303

1-800-659-2955

Serves: Connecticut, District of Columbia, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico, Rhode Island, Vermont, Virgin Islands, Virginia and West Virginia

Atlanta, GA 30308

1-800-359-2227

Serves: Alabama, Florida, Georgia, Illinois, Indiana, Kentucky, Michigan, Minnesota, Mississippi, North Carolina, Ohio, South Carolina, Tennessee and Wisconsin

Ft. Worth, TX 76155

1-800-366-6303

Serves: Arkansas, Colorado, Iowa, Kansas, Louisiana, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah and Wyoming

Sacramento, CA 95853-4795

1-800-488-5323

Serves: Alaska, American Samoa, Arizona, California, Guam, Hawaii, Idaho, Nevada, Oregon and Washington

In the aftermath of last month's attacks, the SBA has made more than 460 disaster loans for \$49.9 million in the areas surrounding the World Trade Center and the Pentagon.

To find out more about the SBA's disaster assistance program visit the web site at www.sba.gov/disaster.

For more information about all of the SBA's programs for small businesses, call the SBA Answer Desk at 1-800-U-ASK-SBA, or visit the SBA's extensive Web site at www.sba.gov.

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