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RELEASE

PRESS OFFICE

Release Date: November 12, 2001

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Release Number: 01-61

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Internet Address: <http://www.sba.gov/news/indexheadline.html>

SBA Disaster Relief to NYC Soars To More Than \$100 Million

NEW YORK – The U.S. Small Business Administration has approved more than \$100 million in disaster loans to businesses and individuals in New York City following the September 11th terror attacks on the World Trade Center, SBA Administrator Hector V. Barreto said today.

Announcing the new loan totals at a meeting today of small business owners at the Chinese Community Center in New York's Chinatown, Administrator Barreto renewed the SBA's commitment to helping residents and small businesses in New York City in their recovery efforts. "It may take time for some businesses and individuals to rebound, but the SBA will be there as long as it takes to help businesses, homeowners and renters as they rebuild their lives," Barreto said.

Through today, the SBA has approved more than 1,250 disaster loans totaling \$109 million. "More than 90 percent of the approved amount is going to small business owners for their working capital needs," Barreto stated. Approvals to New York City residents have amounted to between \$2 million and \$3 million a day since the September events.

In the disaster area around the Pentagon in Northern Virginia, the SBA approved 30 disaster loans totaling more than \$4.8 million.

SBA, together with its many resource partners – lenders, Small Business Development Centers, SCORE and others – have come together to assist small businesses nationwide. "The outpouring of help from our many offices across the country and from our resource partners has been overwhelming. I am especially proud of the SBA's Office of Disaster Assistance and the employees who are working tirelessly to get money into the hands of borrowers quickly," remarked Barreto.

Due to the extent of economic injury caused by the recent attacks, many local business owners are applying for SBA Economic Injury Disaster Loans (EIDL). These loans are available to help small businesses that are unable to pay bills or meet normal operating expenses as a direct result of the attacks.

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In addition to EIDLs, businesses of all sizes, nonprofit organizations, homeowners and renters located in the declared disaster areas may be eligible for loans to fund repairs and rebuilding efforts, and cover the costs of replacing lost or damaged personal property.

The SBA also has expanded eligibility for these economic injury loans beyond the immediate declared disaster areas in New York and Northern Virginia, an unprecedented step. The loans are available to small businesses across the country that have suffered substantial economic injury as a direct result of the attacks on the World Trade Center and the Pentagon, or from subsequent actions taken by the federal government in response to those attacks.

During the Veterans Day event, Barreto also noted that the SBA has a special economic injury loan program for small businesses that have suffered substantial economic injury because a key employee (including owners/operators) is a reservist and has been called to active military duty. Small businesses that have lost a key employee to these call-ups in the ongoing response to the terrorist attacks on the World Trade Center and the Pentagon may qualify for Military Reservist Economic Injury Disaster Loans (MREIDLs).

Under both programs, small businesses can qualify for loans up to \$1.5 million. The interest rate on these loans is 4 percent, with a maximum term of 30 years. The working capital loans can be used to cover the costs of fixed expenses, payroll and accounts payable.

For more information about the SBA's disaster loan program or for help with the loan application process, visit a disaster recovery center or call 1-800-659-2955 or visit the SBA's Web site at www.sba.gov/disaster.

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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 TDD 704-344-6640. Also, visit the SBA's extensive Web site at www.sba.gov.

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