NEWS RELEASE

United States Senate

Committee on Small Business and Entrepreneurship

Olympia J. Snowe, Chair

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SNOWE: HURRICANE DISASTER LOANS MUST BE PROCESSED QUICKLY

WASHINGTON, D.C. - U.S. Senator Olympia J. Snowe today issued the following statement regarding the Small Business Administration's processing of disaster loans in the aftermath of Hurricanes Katrina and Rita:

"The Small Business Administration's disaster loan program provides vital assistance to both individuals and businesses affected by Hurricanes Katrina and Rita. As Chair of the Senate Committee on Small Business and Entrepreneurship, I intend to do whatever is necessary to ensure that the Small Business Administration can efficiently and effectively fulfill its responsibilities. Last Friday, in response to concerns about the reliability of the SBA's computer system, I directed Committee staff to meet with SBA representatives so we could learn how to better implement the highest standards of professionalism and competence. I've also informed SBA Administrator Hector Barreto that I am ready to provide him any assistance possible.

"The businesses and homeowners victimized by Hurricanes Katrina and Rita must have their emergency loans processed as quickly as possible so they can begin rebuilding their lives. While I understand the Small Business Administration is responding to the most catastrophic natural disaster in United States history, it is critical that we have highly trained personnel working at the disaster sites. Factors that impede loan approvals must be addressed and eliminated as they arise.

"SBA representatives recently informed me that 18,000 loan applications were received in the last week alone. They've assured me they have the resources to process all of the applications without delays. To help achieve this, I've asked the Internal Revenue Service to locate personnel alongside small business personnel in the Gulf region so tax documents required for approval can be expedited to SBA loan-processing departments. I am also asking the SBA to provide me with daily updates of the status of loan applications, including how many have been approved, how many have been received, and the average time between an application's completion and its approval.

"I will continue to work with the Small Business Administration to find ways to help small businesses confront their extraordinary challenges."

Last month the Senate approved by a vote of 96-0 a Snowe amendment to the Commerce-Justice-Science Appropriations bill to provide $595 million to aid Hurricane Katrina's victims. Last week Senator Snowe introduced the Small Business Hurricane Relief and Reconstruction Act of 2005, legislation that builds on her previous proposal to provide immediate and meaningful

relief to hurricane victims. The Act is co-sponsored by Ranking Member John Kerry (D-MA), Senator David Vitter (R-LA), Senator Mary Landrieu (D-LA), Senator Jim Talent (R-MO), Senator Edward Kennedy (D-MA), Senator John Cornyn (R-TX) and Senator Evan Bayh (D-IN).

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