



# *News Release*

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## **SBA Approves \$571,000 in New Economic Injury Loans for Small Businesses Impacted by Deepwater BP Oil Spill**

*Agency provides deferments on 66 existing disaster loans in coastal regions of Alabama, Florida, Louisiana, Mississippi*

**WASHINGTON** -- The U.S. Small Business Administration has approved 15 economic injury assistance loans totaling \$571,000 for small businesses in the Gulf Coast region, SBA Administrator Karen Mills announced today. Additionally, the agency has granted deferments on 64 existing SBA disaster loans in the region.

SBA is offering economic injury loans and deferrals on existing loans to fishing and fishing-dependent small businesses as a result of the Deepwater BP oil spill that shut down commercial and recreational fishing waters. Additionally, homeowners in the region who have existing SBA disaster home loans can request a deferment if their business or employment has been impacted by the oil spill.

“SBA remains committed to taking every step we can to help small businesses deal with the financial challenges they are facing as a result of the Deepwater BP oil spill,” Mills said. “These businesses are the foundation of local economies in communities along the Gulf Coast and we know these loans and loan deferments can provide the capital they need right now to keep them in a position to drive economic growth and provide good-paying jobs.

“While small businesses are encouraged to file claims with BP, these loans and loan deferments can provide critical temporary assistance to overcome the loss of revenue they are currently experiencing,” Mills added.

The 15 loans approved to date have been for small businesses in Louisiana. The 66 deferments include two in Alabama, three in Florida, 52 in Louisiana and nine in Mississippi.

SBA began offering economic injury assistance loans and existing loan deferments for fishermen and fishing-dependent small businesses in 34 Louisiana parishes on May 6. The agency made loans available on May 14 to small businesses in six counties in Alabama, 35 counties in Florida and 11 counties in Mississippi. Loan applications will be accepted for nine months.

SBA’s Economic Injury Disaster Loan (EIDL) offers working capital up to \$2 million at an interest rate of 4 percent with terms up to 30 years for borrowers that cannot obtain credit in the conventional market. For loan recipients in these Gulf Coast region counties and parishes, SBA is deferring the first monthly payment on the loan for 12 months.

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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 pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. SBA encourages businesses to also file claims with BP. Borrowers may be required to use any claim payments to help repay these SBA loans, if the claim payment is made on the same economic loss used to qualify for a loan.

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.

In addition, small businesses in areas included in the declaration that are currently repaying an existing SBA disaster loan can request a deferment. Homeowners who have existing SBA disaster home loans can request a deferment if their business or employment has been impacted by the oil spill. For information on seeking a deferment, contact SBA's Customer Service Center at (800) 659-2955.

SBA also is encouraging private lenders to consider, in the areas included in the declaration, deferment relief on a case-by-case basis for small businesses with SBA-guaranteed 7(a) or 504 loans. Small businesses should contact their lender to request deferment consideration.

Throughout the affected counties and parishes, SBA has opened Business Recovery Centers where staff is available to provide information, answer questions and assist with the loan application process. Recovery center locations can be found at [www.sba.gov](http://www.sba.gov). Business owners may also 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](mailto:disastercustomerservice@sba.gov), or visiting SBA's Web site at [www.sba.gov/services/disasterassistance](http://www.sba.gov/services/disasterassistance).

Counties and parishes where SBA economic injury assistance is available are:

**Alabama:** Baldwin and Mobile; and the neighboring counties of Clarke, Escambia, Monroe and Washington.

**Florida:** Bay, Citrus, Dixie, Escambia, Franklin, Gulf, Hernando, Hillsborough, Jefferson, Levy, Manatee, Okaloosa, Pasco, Pinellas, Santa Rosa, Sarasota, Taylor and Walton; and the neighboring counties of Alachua, Calhoun, Charlotte, DeSoto, Gilchrist, Hardee, Holmes, Jackson, Lafayette, Leon, Liberty, Madison, Marion, Polk, Sumter, Wakulla and Washington.

**Louisiana:** Ascension, East Feliciana, Evangeline, Iberia, Jefferson, Lafourche, Livingston, Orleans, Plaquemines, St. Bernard, St. Charles, St. Martin, St. Tammany, Tangipahoa, Terrebonne and Washington; and the neighboring parishes of Acadia, Allen, Assumption, Avoyelles, East Baton Rouge, Iberville, Jefferson Davis, Lafayette, Pointe Coupee, Rapides, St. Helena, St. James, St. John the Baptist, St. Landry, St. Mary, Vermilion, West Baton Rouge and West Feliciana.

**Mississippi:** George, Hancock, Harrison, Jackson, Pearl River and Stone; and the neighboring counties of Forrest, Greene, Lamar, Marion and Perry.