

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6315

March 1, 2018

The Honorable Linda McMahon
Administrator
United States Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Administrator McMahon:

I am writing to ask that the March 20, 2018 deadline be extended for physical property damage disaster and economic injury disaster loans for those affected by Hurricane Maria. The natural disaster in the Caribbean created one of the most devastating hardships in the history of the region and has caused harm to millions of homeowners and small businesses in Puerto Rico. The rebuilding of the region will involve a private and public partnership to ensure the local economies start creating jobs and generating business income.

Reports from the area show that the economy is struggling to recover due to a number of factors. These include the difficulty for FEMA and other agencies to respond quickly in the wake of the disaster and a lack of available resources, including power for workers and residents alike. The reality is that the harm caused by a multitude of problems has inhibited the ability of the federal government's Small Business Administration (SBA) disaster loan program for home and business loans to operate as intended.

Unfortunately, FEMA is still conducting debris removal and assessing the full extent of damage, which has kept many residents and business owners from filing for assistance. It has also meant that the agency has been unable to provide adequate outreach, particularly in the early stages after the Hurricane. Additionally, nearly a quarter of a million Puerto Ricans are still without power and telecommunications are severely lacking in many parts of the Island. Many residents face difficulty traveling to recovery centers and filing online disaster loan applications.

Despite these problems, the current deadline is only 19 days away - on March 20 - for applicants to file a physical property damage disaster loan and June 20 for economic injury disaster loans. Considering the difficulties persisting on the Island, this deadline must be extended. I strongly urge that the administration move these dates to October 1, 2018 to ensure that those eligible for assistance will be able to apply for it.

To impose this deadline would create an additional hardship on communities that have already suffered enough. The current dates fail to account for the realities that are ongoing for businesses and homeowners in Puerto Rico. An extension of the deadlines will provide these individuals with the ability to meet the paperwork requirements, assess their losses, and determine business viability. It will also allow for applicants who have not heard back from the SBA to re-apply or determine whether the SBA loan is even in the system.

Despite the fact that the hurricane occurred five months ago, only 80,000 loan applications have been received for an Island that is populated by over 3 million people. SBA has handled over 345,000 calls from Hurricane Maria survivors, indicating that many who may wish to file will soon run out of time to do so. This is on top of a decline rate for loans in the region that are at approximately thirty-five percent.

The SBA disaster loan program was created so that local economies could recover quickly from these disasters in a timely and efficient manner. It has helped communities get back on their feet while at the same time ensuring an efficient use of taxpayer's dollars in a recovery effort. By extending the deadlines for Hurricane Maria disaster loans; it will ensure that these businesses start creating jobs and that these economies are able to rebuild. With all the obstacles that those in the region have faced, everything should be done to avoid creating unnecessary hardships like these deadlines that will only hinder recovery efforts.

I appreciate your prompt attention to this matter.

Sincerely,



Nydia M. Velázquez
Ranking Democratic Member
House Committee on Small Business