

**Testimony of SBA Administrator Isabel Guzman**  
**Senate Appropriations Committee**  
**November 20, 2024**

Chair Murray, Vice Chair Collins, and distinguished members of the Committee, thank you for the invitation to appear today to discuss the pressing need for additional funding for the Disaster Loan Program at the U.S. Small Business Administration.

For decades, SBA disaster loans have been a proven and important resource to help communities impacted by disaster rebuild and recover. SBA offers direct loans to homeowners, renters, businesses, and private nonprofits to help communities get back on their feet. These affordable loans cover disaster losses not fully covered by insurance or other sources, and provide much-needed flexibility with low interest, long terms and one year of deferred payments and no interest accrual. Harvard University research shows that early access to disaster funding--including SBA's disaster loans--boost the economic impact by 20 percent.<sup>1</sup>

In coordination with the Federal Emergency Management Agency (FEMA), other Federal agencies, and state and local entities, SBA helps small businesses prepare for, respond to, recover from, and mitigate against disasters. In FY 2024 alone, SBA approved over 27,000 disaster loans totaling \$1.7 billion in 160 disaster declarations across 53 states and territories.

Behind each loan is a story of a resilient American seeking to rebuild and recover. In Asheville, North Carolina, I met with Biltmore Village business owners whose businesses remain closed while they repair physical damage after devastating flooding from Hurricane Helene. In Tampa, Florida, I met with the business owners of a flan restaurant who weathered Hurricane Milton, lost power and inventory, but were able to reopen days later, and became known as “hurricane heroes” in their city – a testament to the impact that small business owners have in rebuilding their communities and making them economically resilient.

SBA has a vital role to play in the federal disaster response, but the Agency’s disaster loan program has been unable to meet demand since October 15, 2024, after a surge in demand for disaster loans following Hurricanes Helene and Milton led SBA to exhaust all available subsidy funding for disaster lending.

Hours after the President issued disaster declarations for Hurricanes Helene and Milton, SBA staff were on the ground ready to help survivors. SBA has been working around the clock to provide up-to-date, timely information to constituents and minimize confusion

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<sup>1</sup> [Bounce Back Better: Four Keys to Disaster Resilience in U.S. Communities | The Belfer Center for Science and International Affairs](#)

and delays. Even in the absence of funding to make loans, SBA has continued to process loan applications, provide customer service support, and communicate directly with survivors while we wait for Congress to appropriate the funding necessary to enable the agency to originate new disaster loans and disburse funds to the many disaster victims in the queue. SBA is currently supporting more than 400 total disaster declarations across the Nation. We have deployed 430 SBA staff across 18 different states in 24 disaster declarations. Our team is operating more than 175 disaster assistance centers.

A lack of SBA disaster loans has impacted recovery across the Nation. Homeowners have been unable to access low-interest rate loans to remove debris or eradicate mold so they can return to their homes. Survivors who lost a car cannot purchase a new one to take their children to school or get themselves to work. Small businesses cannot replace damaged equipment or inventory, or cover economic injury from business disruption.

SBA is the lender of last resort for many disaster borrowers who cannot access credit elsewhere. Homeowners, renters, and businesses are either delaying action or resorting to higher costs of capital. This means reconstruction projects may have been placed on hold, or small businesses may delay reopening without SBA disaster loans to expedite recovery. Without SBA disaster lending, survivors may be forced to seek higher-cost options in the private sector – if they can secure funding at all.

Our communities need access to SBA loans and we hope Congress will work quickly to restore funding for this important program. SBA strongly supports the Administration's supplemental budget request for \$2.25 billion for the Disaster Loan Program. The Administration's request updates the disaster loan requests the Administration has been making since the Maui wildfires in 2023. The \$2.25 billion includes vital funding to support disaster lending as well as the administrative funds the Agency needs to process these loans and provide customer service to disaster survivors.

This funding will allow SBA to immediately begin making approximately \$900 million in loan offers to more than 12,000 approved borrowers in the queue since funds were exhausted. SBA is continuing to process over 60,000 loan applications while we work with Congress on long-term funding to shore up SBA's disaster lending account.

SBA expects that lending for Hurricanes Helene and Milton could approach record levels given the widespread damage across multiple states – including in areas not identified as flood zones where lack of insurance is widespread. In those storms alone, SBA estimates more than \$3 billion in lending activity.

We have worked closely with the House and Senate Appropriations Committees to provide timely updates about the disaster lending account in addition to publishing monthly reports as required by law, but a series of mega-storms such as Helene and Milton show how quickly disaster balances can change.

Americans do not know where the next disaster will occur, but helping our fellow citizens recover from disaster is a responsibility we all share. SBA looks forward to working with Congress to secure the resources necessary to strengthen SBA's critical disaster lending program for the future.

I look forward to your questions.