

Small Business Administration Disaster Recovery and Reform Act of 2009

Title I: Recovery

- **Sec. 101. Gulf Coast Disaster Loan Assistance.** This provision would require SBA to report to Congress within 30 days with recommendations on assisting borrowers struggling with payments on 2005 Gulf Coast disaster loans. These recommendations could include allowing SBA to refinance or re-amortize loans, term out loans, waive off a portion of interest payments, or additional options.
- **Sec. 102. 8(a) Extension.** This provision would extend, for 2 years, eligibility for Gulf Coast businesses impacted by Katrina or Rita to participate in the SBA 8(a) program.
- **Sec. 103. Chinese Drywall.** This provision would authorize SBA to make disaster home loans for the repair and replacement of Chinese drywall. Assistance would be limited to areas declared a disaster by a Governor and following a determination that the product poses a corrosion or property damage risk.

Title II: Reforms

- **Sec. 201. Pioneer Business Recovery Program.** This section modifies a disaster program created in the 2008 Farm Bill to provide expedited bridge loans to businesses. It increases the loan limit from \$150,000 to \$250,000 and allows SBA to activate the program as needed for both major and catastrophic disasters.
- **Sec. 202. Increase SBA Loan Limits.** This section increases SBA disaster home loans from \$40,000 to \$80,000 for personal property and from \$200,000 to \$400,000 for repair/replacement of a primary residence. Increases SBA disaster business loans from \$2 million to \$4 million.
- **Sec. 203. State Bridge Loan Guarantee Program.** This section would authorize SBA to guarantee approved State bridge loan programs following a major disaster. This would enhance existing Federal-State partnerships on bridge loans and allow States to provide more assistance following a disaster.
- **Sec. 204. Collateral Requirements.** This section revises SBA procedures so that business owners are not required to pledge their homes for business loans less than \$200,000.
- **Sec. 205. Aquaculture Provision.** Amends the Small Business Act to make aquaculture businesses eligible for SBA economic injury disaster assistance loans. Currently, such businesses (crawfish farmers, oyster farmers, shellfish farmers, etc.) are specifically excluded from eligibility for such assistance.
- **Sec. 206. Regional Marketing and Outreach.** Requires SBA to conduct regionally-focused outreach on predictable disasters (hurricanes, tornadoes, wildfires, etc.) ahead of each disaster season. It also requires SBA to post information on disasters likely to happen in each region on SBA's website and make such information available in regional/district offices.
- **Sec. 207. Duplication of Benefits.** This provision allows SBA to make a duplication of benefits assessment after disaster victims receive Federal assistance. Currently SBA deducts such funds before other assistance is provided, often before unmet recovery needs are fully clear.
- **Sec. 208. Coordination on Economic Injury Disaster Declarations.** This provision requires a report within 180 days of enactment on coordination between USDA, DOC and the SBA on economic injury disaster declarations. SBA must report on any legislative changes needed to improve this process.
- **Sec. 209. Coordination Between SBA and USDA Disaster Programs.** This provision requires SBA to report within 120 days on gaps in small business assistance between USDA and SBA disaster programs. SBA, in consultation with USDA, must report on any legislative changes needed to improve these programs.