

Wayne Allard

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ALLARD RESOLVES DISASTER RELIEF DISPUTE

Washington, D.C. --U.S. Sen. Wayne Allard (R-CO) today announced an agreement between the Farm Service Agency (FSA) and the Small Business Administration (SBA) regarding drought disaster loans to agriculture dependent businesses. The agreement is the result of Senator Allard's efforts to resolve a disaster "time line" difference between the two agencies.

It is common for states to request the Secretary of Agriculture (USDA) to declare a disaster for individual crop years, then labeling the length of the drought "and continuing" with no definite end period. Such uncertainty in the length of the disaster declaration led the Small Business Administration to stop processing the disaster loan applications.

Under the terms of the new agreement, the Farm Service Agency will establish a deadline for SBA disaster loans similar to current FSA Disaster Loans. This agreement will allow SBA to resume processing loan applications.

"SBA loans are important for businesses that rely on farmers and ranchers sustaining crop losses due to the drought," said Allard. "I want to make sure drought stricken businesses have a clear opportunity to utilize all programs available to them, and this means working with SBA and FSA to develop a loan program that covers the needs of small businesses."

The loan program will cover the impact of 2001, 2002 and 2003 crop losses as a result of the continuing drought experienced by non-farm businesses in the affected areas. A special 60 day extension will be effective from April 7 through June 6, 2003 and will include all "2001 and continuing" Secretary of Agriculture declarations with filing deadlines in 2002 and 2003. While farmers and ranchers are not eligible for these SBA loans, nurseries and agriculture related businesses that are victims of drought disasters can apply.

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