

[By Wilson Ring](#)

U.S. Rep. Peter Welch said Monday he wants the federal government to make special loans available for the smallest Vermont businesses hit by disasters so they can be spared some of the paperwork requirements that prevented some from getting assistance after Tropical Storm Irene.

Welch's proposal would be designed for businesses with fewer than 50 employees and make them eligible for smaller "micro-loans" from the Small Business Administration that can be critical when businesses are trying to recover from disasters such as Irene.

The proposal grew out of a series of meetings Welch, a Democrat, had with business owners across the state. The smallest businesses didn't have the staff to complete the paperwork required for SBA disaster loans. In other cases, the records needed for the application had been destroyed or made temporarily unavailable by last August's storm

"The most crucial thing I heard from small business owners is they had to get their doors open again so they could get the cash flow going, and that's a monumental task, records had been destroyed, washed away, equipment is ruined," he said.

As an example, Welch said the SBA distributed more than 1,900 business disaster loan applications. Of those, 234 businesses submitted a completed application and 137 loans were issued.

Welch said he hoped to meet with SBA Administrator Karen G. Mills, and he hoped the change could be done administratively. If that fails, he could introduce legislation in Congress to require the change, with the goal of shortening the time it takes for small businesses to apply for and receive disaster loans.

SBA spokeswoman Emily Cain said in an email Monday that Welch's proposal would require

legislation from Congress but she added, "We look forward to working with Congressman Welch and other members of Congress on ways to further improve the federal disaster loan process."

She said the SBA is committed to providing homeowners, renters, and businesses in Vermont and other states with "the most effective and customer-focused response possible."

The SBA recently announced a streamlined electronic disaster loan application process "that saves time and is more user-friendly, making the first steps toward recovery more convenient," Cain said.

Welch discussed the SBA issue Monday during a news conference at the Burlington International Airport before getting on a plane to return to Washington. He was joined by Skip Hoblin, owner of Snowfire Auto in Moretown, whose business records were inundated by the flood waters from the Aug. 28 storm and were inaccessible in the immediate aftermath.

Hoblin said the water was about 2 feet deep in his Moretown building just across the Winooski River from the village of Waterbury. The SBA small business loan would have required three years' worth of monthly business information.

"When I heard that I said, 'You know I just don't have access to that right now,'" said Hoblin whose business has 13 employees "So I went back to the business and focused on getting the computers back up, you know, we had a clothesline out back that we were drying car titles on."

He estimates it cost between \$75,000 and \$100,000 to clean up and reopen after the storm. He got some local grants, but nothing from the SBA. His recovery is ongoing. Hoblin said the SBA should have been able to see his business information through his tax documents, already in the files of the Internal Revenue Service.