

*Says Vermont businesses in need struggle under one-size-fits-all procedures*

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Elissa Bhanti, owner of Adivasi on Flat Street, said in June that businesses needed "an injection" of capital other than loans. After Irene, the SBA offered Bhanti loans contingent on placing a lien on her house. With two children nearing college, Bhanti couldn't afford the risk and turned the loan down.

Peter Pardoe, owner of the Flat Street Pub, operates the upstairs half of his business since Irene flooded the basement restaurant. He used a \$100,000 loan from the Vermont Economic Development Authority to rebuild the kitchen, walk-in cooler, and upstairs beer cooler.

FEMA, which does not include businesses in its disaster response, redirected the business owner to SBA.

He said he needs another \$70,000 to reconstruct the downstairs restaurant. Pardoe also declined a lien on his house for an SBA loan.

Welch said that the potential micro-loan program wouldn't help businesses looking for grants.

"There's no escaping the harsh reality... that hardship comes with disasters," Welch said.

Welch said he will likely meet with Mills in the coming weeks, adding the administrator is cooperative.

He doubts a new micro-loan program would need Congress' approval. Instead, the SBA can opt to create the category within their existing lending programs, he said.

Congress created the SBA in 1953 to assist small businesses and entrepreneur with programs like lending, contracts, and business counseling. The SBA offers other micro-loans through some of its non-disaster relief programs.

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