



June 22, 2010

Jim Rich, Executive Director of the Southeast Texas Economic Development Foundation:

We took on the task of administering a new loan program (Hurricane Ike Forgivable Loan) to assist small businesses in the fall and received 739 applications by the due date of January 8. We had a team of volunteers spend hours evaluating the applications and applying rating scores. Those scores were based upon credit, length of time in business, and impact of the business on the community. We also applied points based upon a scale that measured the degree of rain, wind, and flooding on each business location as a result of Hurricane Ike. We further gave additional points to businesses located in low to moderate income census tracts. Arriving at the top 90 or so businesses, we are now conducting site visits to verify business ownership, address environmental regulations, and determine the use of funds. We still need to complete the visits, publish the results, and verify other factors such as the payment of taxes. The length of time this has taken is a concern and we have callers inquiring about the status of their applications.

Just a reminder, this is a competitive application process with the primary purpose to help stimulate the economy. It is a forgivable loan program as long as the business is open two years from now and meets federal low to moderate income requirements. We initiated this program before anyone else. It has never been done before. We were given regulations and requirements as we went along. It is a lot of work with a volunteer loan committee representing three counties. The good news is we are almost there. Please stay tuned and we ask for your continued patience.

Shaun Davis, Executive Director of the South East Texas Regional Planning Commission:

I want to take this opportunity to give you an update on the status of the Small Business Forgivable Loan Program funded by Hurricane Ike Disaster Recovery Funds for which you have applied. Given the overwhelming response to this program (700-800 applicants), there is no question that the need for this type of recovery assistance is desperately needed to help bring our region back from the negative effects of this massive storm.

It is certainly understandable that your frustration grows everyday this funding is delayed. Let me assure you that every person working on this program is pushing as hard as we can to meet the extensive and time consuming program and documentation requirements mandated by these types of funds.

The good news is that thanks to the aggressive and pro-active efforts of the Southeast Texas Economic Development Foundation (SETEDF) our region is months ahead of other areas of the state in implementing similar programs. SETEDF chose not to wait on the state and federal governments to start the process of getting these funds where they needed to be. . . . IN YOUR HANDS. This type of program has not been tried before. We are actually setting the standard as we implement this program. In fact, another entity (they haven't even started yet) has asked to use our model in their area.

So, while we are ready to go locally, the final part of this process must be signed off on by entities further up the chain. We have received assurance and have every confidence that they are pushing as hard as they can the get the necessary approvals in place. I humbly ask for your continued patience and perseverance in this process.