

NEWS STATEMENT BY SEN. STROM THURMOND (D-SC) ON SMALL BUSINESS DISASTER LOANS, OCTOBER 12, 1955.

WASHINGTON, Oct 12--Senator Strom Thurmond (D-SC) announced today that the Small Business Administration is now prepared to make drought disaster business loans available in every county in South Carolina.

The South Carolina Democrat said the SBA is given authority by recent legislation to make these business loans at 3 per cent interest to firms able to show they have actually suffered economic injury attributable to the drought. All 46 South Carolina counties have been designated as disaster areas by the Department of Agriculture.

The loans may be made for a term of 10 years, and the proceeds must be, for the most part, confined to working capital. However, refinancing of indebtedness (except bank loans) on which delinquencies are directly attributable to the drought is permissible.

No loans will be made for the expansion of facilities. Collateral requirements are the same as for other types of disaster loans.

Farmers and stockmen are not eligible for the business loans. They should apply to the Farmers Home Administration for assistance.

Businessmen eligible for a drought disaster business loan should apply to the local bank, or to the nearest office of the SBA.

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