

The CHAIRMAN. Following the riots?

Mr. MOOT. Yes, sir.

The CHAIRMAN. How many, what volume?

Mr. MOOT. We made in the combination Detroit and Newark, of last summer, we made just one or two under 200 loans for about \$3.5 million. We have no declarations or no loans as a result of the April 4 and the ensuing days' disturbances of this calendar year.

The CHAIRMAN. You would not propose to make any loan for a business destroyed by fire or riot or violence unless the area had been declared a disaster area? Would that be a first prerequisite?

Mr. MOOT. Our first prerequisite has been, and we have received requests specifically from the mayor of Washington, and from the mayor of Baltimore to declare both cities a disaster area to the extent that they were damaged in the civil disturbances. My reply to both mayors has been I would like to see from them their plans for relating the damaged areas to their current urban renewal plans, again relating to the authority you have given us for urban renewal assistance namely, the displaces business loans.

I have talked informally with both cities. They thoroughly understand the problem, the question, and they are developing information. In the meantime we are making our conventional programs available, and to the extent that the physical capability of these areas allows restoration of businesses, the businesses are going back in, and to the extent that we can provide assistance to those businesses, with our regular programs, we will provide such assistance.

To the extent that the physical damage is such that the businesses can't go in without new construction, there is nothing that we can do at the moment in terms of relating our programs to the city's redevelopment program until the city, in each case, does its planning.

The CHAIRMAN. In the two instances in which loans have been made, Newark and Detroit, they followed a declaration of disaster and it was tied in with your urban renewal programs?

Mr. MOOT. That is right, sir, except you will recall that this was prior to any model city designation last summer, and prior to the development of urban renewal designations, such as we now have. In other words, urban renewal is much further downstream now than it was last summer.

The CHAIRMAN. What is the time factor involved in the processing of these types of loans? What was your experience?

Mr. MOOT. How long did it take us to process?

The CHAIRMAN. Yes.

Mr. MOOT. We established an office in Detroit in the area of the greatest damage, and we processed loans, they didn't come in very quickly, frankly, sir. I mean the requests were held, pending the determination of insurance companies.

The CHAIRMAN. These loans were made to reestablish the businesses?

Mr. MOOT. To reestablish the business.

The CHAIRMAN. Have the businesses been reestablished in the instances where you have made the loans?

Mr. MOOT. Yes, sir.

The CHAIRMAN. Under your new regulations will you make disaster loans to small businesses to refinance existing indebtedness?

Mr. MOOT. No, sir; we will not. As a matter of fact, we have an administrative restriction against using SBA disaster loan authority