

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6515

MEMORANDUM

TO: Members of the House Committee on Small Business

FROM: Committee Majority Staff

DATE: December 12, 2025

RE: Full Committee Hearing Titled: “American Resilience: Examining the SBA Disaster Assistance Program”

On **Tuesday, December 16, 2025, at 10:00 AM ET**, the Committee on Small Business will hold a hearing titled “**American Resilience: Examining the SBA Disaster Assistance Program.**” The meeting will convene in room 2360 of the Rayburn House Office Building. The purpose of this hearing is to examine the current structure of the U.S. Small Business Administration (SBA) disaster assistance programs and examine how the Trump Administration is strengthening federal disaster response capabilities.

I. Witness

- **Mr. Chris Stallings**, Associate Administrator, Office of Disaster Recovery & Resilience, SBA

II. Background

The federal response to a disaster is often complicated and fragmented. In the aftermath of a disaster, as many as 30 separate federal entities can be activated to provide relief to state and local governments, businesses, and/or individuals for emergency response efforts.¹ While the Federal Emergency Management Agency (FEMA) is primarily responsible for coordinating federal relief, the SBA plays a major role in providing long-term support to communities to rebuild and recover in the wake of a disaster.

At any given time, the SBA is providing disaster assistance in communities across the U.S. Each year, the SBA disburses hundreds of millions of dollars in disaster assistance loans.² Following a major presidential disaster declaration or an SBA Administrator disaster declaration, the SBA

¹ *Reforming FEMA: Bringing Common Sense Back to Federal Emergency Management: Hearing Before the H. Comm. on Transp. & Infrastructure, Subcomm. on Econ. Dev., Pub. Bldgs., & Emergency Mgmt.*, 119th Cong. (2025) (written testimony of Chris Currie, Dir., U.S. Gov’t Accountability Office).

² U.S. SMALL BUS. ADMIN., FY 2026 CONGRESSIONAL BUDGET JUSTIFICATION, 81 (2025).

disaster assistance program is activated to offer low-interest loans to businesses of all sizes, nonprofit organizations, homeowners, and renters. The loans for disaster-related losses include home disaster, physical business disaster, and economic injury loans (EIDL).

In FY 2024, the SBA managed 427 disaster assistance declarations and approved more than 27,000 direct disaster loans, totaling nearly \$1.7 billion of relief.³ As of November 30, 2025, the SBA was supporting 37 major disasters nationwide.⁴

The SBA disaster team has been activated several times over the last year. In January 2025, the SBA approved \$3.2 billion in disaster relief for victims of the California wildfires in Pacific Palisades and Eaton.⁵ In June 2025, in Los Angeles, the SBA deployed teams to support businesses recovering from more than \$1 billion in damages following protests that escalated into riots.⁶ Following the July 4, 2025, flooding in Kerrville, Texas, the SBA deployed over 70 staff members to assist affected communities.⁷ The storm caused extensive damage to homes and neighborhoods and resulted in the loss of over 100 lives.⁸

The SBA's disaster assistance program plays a vital role in disaster recovery. However, in recent years, significant challenges have emerged in the SBA's disaster efforts, from fraudsters taking advantage of SBA COVID-era relief loans to the SBA failing to adequately notify Congress that disaster funding was depleted amid Hurricane Helen recovery efforts. This lapse temporarily halted the disbursement of disaster loans for the first time in program history.⁹

III. Conclusion

Roughly 25 percent of businesses will not reopen after a disaster, and up to 90 percent of businesses will fail within two years following a disaster.¹⁰ Given the importance of small businesses to our economy, Americans must receive assistance after a disaster to survive and recover. This hearing provides an opportunity to examine how the SBA can continue to strengthen its disaster response capabilities to provide people and businesses with the help they need after a disaster.

³ U.S. SMALL BUS. ADMIN., FY 2026 CONGRESSIONAL BUDGET JUSTIFICATION, 72 (2025).

⁴ U.S. SMALL BUS. ADMIN., OFFICE OF DISASTER RECOVERY & RESILIENCE, SMALL BUSINESS DISASTER RESPONSE AND LOAN IMPROVEMENT ACT OF 2008: MONTHLY REPORT AS OF NOVEMBER 30, 2025 (Dec. 2025).

⁵ News Release, U.S. Small Bus. Admin., After Record Trump Aid to L.A., SBA Administrator Loeffler Slams Newsom and Bass for Wildfire Recovery Failures (Sep. 9, 2025).

⁶ News Release, U.S. Small Bus. Admin., SBA approves Governor Newsom's Disaster Declaration for State-Sanctioned Crisis in Los Angeles (Jul. 1, 2025).

⁷ News Release, U.S. Small Bus. Admin., Administrator Loeffler Joins President Trump to Offer Federal Support in Wake of Texas Disaster (Jul. 11, 2025).

⁸ Emily Mae Czachor, *Texas Flood Rescue Teams Continue to Search for Scores of Missing People as Death Toll Tops 130*, CBS NEWS (updated Jul. 14, 2025), <https://www.cbsnews.com/news/texas-floods-missing-people-death-toll-climbs/>.

⁹ ANTHONY A. CILLUFFO & BRUCE R. LINDSAY, CONG. RESEARCH SERV., R48558, SBA DISASTER LOANS PROGRAM ACCOUNT: OVERVIEW AND POLICY OPTIONS (Jun. 4, 2025); News Release, U.S. Small Bus. Admin., SBA Exhausts Funds for New Disaster Loans (Oct. 15, 2024).

¹⁰ Press Release, Fed. Emergency Mgmt. Agency, Stay in Business After a Disaster by Planning Ahead (Jun. 2, 2025); U.S. SMALL BUS. ADMIN., *SBA Disaster Workshop: Are You Prepared for the Next Big Disaster?* (Nov. 12, 2015).

IV. Legislation Attached

- H.R. 1475 – SBA Disaster Transparency Act
- H.R. 4238 – Disaster Loan Accountability and Reform Act