

SBA'S HURRICANE HELENE RESPONSE: ONE YEAR LATER

FIELD HEARING BEFORE THE COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP OF THE UNITED STATES SENATE ONE HUNDRED NINETEENTH CONGRESS FIRST SESSION

SEPTEMBER 22, 2025

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SBA'S HURRICANE HELENE RESPONSE: ONE YEAR LATER

MONDAY, SEPTEMBER 22, 2025

UNITED STATES SENATE,
COMMITTEE ON SMALL BUSINESS
AND ENTREPRENEURSHIP,
Washington, DC.

The committee met, pursuant to notice, at 2:01 p.m., in Henderson County Historic Courthouse, 1 Historic Courthouse Square, Hon. Tedd Budd, presiding.

Present: Senator Budd.

OPENING STATEMENT OF SENATOR BUDD

Senator BUDD. Good afternoon, everyone. I call the Committee on Small Business and Entrepreneurship to order. Today's hearing comes in a somber moment. Almost one year ago today, Hurricane Helene made landfall in Florida before continuing northward and devastating Western North Carolina.

Many of us here today personally experienced the devastation that storm brought. Many areas were hit with high winds, and received 20 to 30 or more inches of rain, leading to catastrophic flooding and mudslides that tragically claimed the lives of 108 North Carolinians. Altogether, a total of 11 states were impacted, and Helene caused almost \$80 billion in damage, making it one of the worst hurricanes to hit the United States, ranking alongside Hurricane Sandy and Hurricane Katrina.

Here in North Carolina, 39 counties were eligible for federal assistance following the storm. Those counties comprised 40 percent of the state's population and 45 percent of the state's GDP. In the aftermath, our state's disaster survivors started down the challenging road of rebuilding.

I want to say how proud I am of our state for coming together in this time of need and the sheer tenacity of everyone out here in Western North Carolina, who lent a hand and helped folks in dire straits. Frankly, I wish the same could have been said for our federal government, but unfortunately, under President Biden, they were unprepared and asleep at the wheel.

The Small Business Administration, or the SBA, provides disaster loans and have been crucial to many Americans recovering from natural disasters, and North Carolinians in the wake of Helene were no different. The SBA gives eligible individuals access to disaster recovery loans up to \$500,000, and eligible businesses loans up to \$2 million for physical damage and economic injury.

These loans help restore homes to their pre-disaster condition, and help businesses replace equipment and maintain payroll. Unfortunately, due to the blunders of the Biden's SBA, too many North Carolinians were unable to find the help they needed to simply rebuild and regain their livelihoods.

The prior administration mismanaged the SBA's Disaster Loan Program by issuing irresponsible rules and dramatically increasing the cost of making and administering disaster loans. Moreover, as SBA drew closer to exhausting the funds it had on hand for these loans. The staff at the wheel of the Biden Administration failed in one of their most basic duties, and that is notifying Congress that funding was running low. This led to an unacceptable 66-day shortfall, lasting from October 12th through December 20th of last year.

Here in North Carolina, 97 percent of business loan applicants were impacted by the shortfall. For more than two months, the federal government left survivors in North Carolina on their own with nothing but bootstraps and their community to assist in rebuilding. We must ensure that a crisis like this will never happen again.

This SBA program is instrumental in the rebuilding process, and once it was back to working, it has served over 3,500 North Carolinians following Hurricane Helene. And that's why, earlier this year, I introduced the Disaster Loan Accountability and Reform Act to create more safeguards against a future shortfall.

This bill would require annual appropriations to SBA's disaster loan program, inform Congress when funds are low, and increase reporting to Congress. I want to thank my colleagues on the Small Business Committee for working in a bipartisan manner to get this bill through committee.

I'm grateful for the many changes the Trump Administration has made to address the problems in this program since January, including improvements to reporting, local coordination, and constituent services. However, we're still recovering from the aftermath of Helene. It's critical to understand the impacts of the shortfall last year, and what steps can be taken to further safeguard disaster survivors after being left without aid again.

Returning Western North Carolina to normal following Helene hinges on our federal government and its agencies working in coordination with one another. I will continue to engage with each of our cabinet agencies to ensure our federal government is responsive to the needs of Western North Carolina.

I want to thank our witnesses on both panels today, and I'm honored that you've decided to join us to speak on the efficacy and unity of SBA's programs and ways to improve. I look forward to your testimony. And before we start our testimony, I ask unanimous consent that the witnesses's full statements be included in the record. Without objection, so ordered.

For a quick run of show, I want to note that each of the witnesses will have five minutes to give their remarks, and then, we'll turn to questions. I'll introduce each of you, and then recognize you for five minutes for your testimony. And we do have two panels today. So, after our first panel, we'll take a brief moment to let them and get up, and we'll have our second panel seated.

And we'll now proceed with our first panel. We'll start with Commissioner Rebecca McCall, who currently serves as a Henderson

County Commissioner. Commissioner McCall was sworn in on December 3rd, 2018, and is serving in her second term as Commissioner. She served as the Chair of the Henderson County Board of Commissioners when Hurricane Helene hit Western North Carolina.

She's a Henderson County native, and holds a bachelor's degree in business administration for Montreat College. We thank you for being here, and you're recognized for five minutes for your testimony.

STATEMENT OF MRS. REBECCA K. MCCALL, COUNTY COMMISSIONER, HENDERSON COUNTY BOARD OF COMMISSIONERS, HENDERSONVILLE, NORTH CAROLINA

Mrs. MCCALL. Thank you for having me. September 27th, 2024, will be a day we long remember in Henderson County and Western North Carolina. Hurricane Helene hit us with full force. Not only was there enormous amount of rainfall that resulted in flooding as deep as 30 feet in some areas, there were also 2,000 landslides, 80 of which were in Henderson County. The landslides uprooted giant trees and dislodged mammoth boulders that took out everything in its path. In the Hickory Nut Gorge area, the river grew three times wider than normal. Homes and businesses along the river were washed away, as well as the land they once stood on. The power outages that lasted up to two weeks in most areas registered to one and a half million in the multi-county area. With 95 percent of Henderson County affected, more than 425 miles of roads and 200-plus bridges were severely damaged in Henderson County alone. All of this has left an impact on our businesses. Those that were not severely damaged by flooding or fallen trees were still affected by power outages and, most importantly, loss of business because there were no customers. Even after power was restored, the water receded and the main roads opened up, we were left with the clean-up and rebuilding that continues today, one year later. As a result, many businesses lost weeks of sales.

Having been a small business owner, I'm aware that one week of slow business is tolerable, two weeks is concerning but three weeks and beyond can be devastating. There was also the ripple down effect where loss of sales led to loss of inventory purchases, which affects other businesses, layoffs of employees, and for the county, reduced sales tax income.

Within a few days, organizations showed up to offer assistance. SBA was one of those. We quickly established a disaster relief center (DRC). SBA had a presence at the DRC to answer questions and assist in application filing for loans. Once we opened those doors, SBA representatives were there to speak with residents about the possibility of loans to rebuild. Our staff conveyed how SBA was there, eager and ready to assist those in need. The staff who manned the table were friendly, accommodating, and helpful.

We commend SBA on their presence and willingness to help, and are grateful for their continued support all these many months later. The benefits of the SBA program, though, are numbered. The paperwork is straightforward and the low-interest rate terms are favorable. But when asking people why they didn't apply, the biggest issue we heard was that these are loans, not grants. While re-

covering, many individuals and businesses didn't feel comfortable taking on another loan that they would have to pay back, especially as they were uncertain about their source of income in the coming months. Some businesses chose not to reopen. Some have closed after reopening. Some are still undergoing repairs. Some embraced the opportunity to become better than they were before and are thriving once more but still working to make up the loss. Even nine months after the storm, half of the businesses in Western North Carolina were still earning 20 percent less than they were before Helene. The damage to small businesses in the county is hard to quantify, but we do know that across Western North Carolina, 96 percent were impacted. This includes 83 percent that had to close for some period of time. In Henderson County, specifically, of 130 businesses we have data on, over \$9 million has been reported in damages.

Henderson County's economy changed completely in the aftermath of the storm. The infrastructure of the region was not capable of supporting the usual fall tourists, and the local businesses suffered a loss of revenue with \$10.5 million lost in the agritourism business alone. While our TDA did a great job reminding folks that there were areas of the county open for business, we lost over \$4 million in stored apples that were ready for distribution. The hesitancy to use SBA loans for some of these losses speaks to locals' fear of taking on debt in such a challenging economic situation.

Adjustments to the SBA, including the addition of grant opportunities or loan forgiveness for businesses rebuilding and continuing to operate post-natural disaster would have increased the number of businesses turning to SBA for assistance.

In conclusion, we are extremely grateful for the role SBA played in our recovery from Hurricane Helene. We have learned many lessons from the storm of how to be better prepared to support businesses in the wake of natural disasters, and we hope that we can work together with the SBA to implement these changes to better support our future disasters. Thank you.

[The prepared statement of Mrs. McCall follows.]

Rebecca K. McCall
County Commissioner
Henderson County NC

Testimony September 22, 2025: SBA's Hurricane Helene Response: One Year Later

September 27, 2024, one year ago, will be a day that we will long remember in Henderson County and Western North Carolina. Hurricane Helene hit us with full force. Not only was there an enormous amount of rainfall that resulted in flooding as deep as 30 feet in some areas, there were also over 2000 landslides, 80 of which were in Henderson County. The landslides uprooted giant oak and pine trees and dislodged mammoth boulders that could otherwise only be moved by heavy equipment. These landslides took out everything in their path from homes to businesses. In the Hickory Nut Gorge area, the river grew three times wider than normal. Small businesses along the river were washed away, as well as the land they once stood on. The power outages registered to 1.5 million in the multi-county area with 95% of Henderson County affected. These outages lasted up to two weeks in most areas. Over 425 miles of roads and over 200 bridges were severely damaged in Henderson County alone. All of this impacted our businesses, especially small businesses. Those that were not severely damaged by flooding or fallen trees were still affected by power outages and, most importantly, loss of business. Residents were focused on survival and potential visitors/tourists, who many of our businesses depend on, stopped coming, for obvious reasons. Even after power was restored, the water receded and the main roads were opened up, we were left with the cleanup and rebuilding that continues today, one year later. As a result, many businesses lost weeks of sales. Having been a small business owner, I am aware that one week of slow business is tolerable, two weeks is concerning but three weeks and beyond can be devastating. There was also the ripple down affect where loss of sales leads to loss of inventory purchase which affects other businesses, layoff of employees and, for the county, reduced sales tax income.

Within a few days, organizations showed up to offer assistance. SBA was one of those organizations. We quickly established a Disaster Relief Center (DRC) that was large enough to handle our own local non-profit organizations as well as FEMA and other State and Federal agencies. SBA had a presence at the DRC to answer questions and assist in application filing for loans. SBA was a critical part of the DRC's one-stop-shop. Once we opened those doors to the public, SBA representatives were there to speak with residents about the possibility of loans to rebuild. Our staff conveyed how SBA was there eager and ready to assist anyone who needed it. The staff who manned the table were friendly, accommodating, and helpful. We commend SBA on their presence and willingness to jump right in and help our citizens. We are also

grateful for their continued support not just in the immediate aftermath, but for staying in our DRC long after that to continue helping people who were still needing assistance.

While we spent the first few months in the midst of life-saving work, we have spent a lot of time since then thinking about the long-term recovery of Henderson County. The SBA was and continues to be a vital part of that recovery.

The benefits of the SBA program are numbered. The paperwork is straightforward and the loans are favorable, with low interest rates. The challenges of the program are also apparent, especially when asking people why they didn't apply. The biggest issue we heard was that these were loans, not grants. While recovering, many individuals and businesses didn't feel comfortable with taking on another loan that they would have to pay back, especially as they were uncertain about their source of income in the coming months. Some businesses chose not to reopen due to the extent of damages they faced and the lack of insurance to cover those damages. Some businesses are still undergoing repairs so that they can eventually reopen. Some businesses embraced the opportunity to become better than they were before and their businesses are thriving once more. Even 9-months after the storm, half of businesses in Western North Carolina were still earning 20% less than they were before Helene.¹

The damages to small businesses in the county are hard to quantify, but we do know that across Western North Carolina, 96% of small businesses across were impacted by the hurricane.² This includes 83% of businesses that had to close for some period of time.³ In Henderson County specifically, of 130 businesses we have data on, over \$9 million were reported in damages.⁴

Small businesses struggled most in the immediate aftermath of the storm, when the devastation of this natural disaster compounded with a lack of internet and limited tourism. The lack of internet wasn't just an issue for communication and safety, but also for financial transactions. We live in a world of credit cards and Apple Pay. Losing access to these meant, for many people, losing access to purchasing anything. Though businesses were flexible, their customer base struggled to purchase goods in the new cash economy. Businesses needed support in this moment to meet the demands of the moment but until infrastructure was restored, they were on their own. There is room for growth and research about how we can solve these issues and better support businesses and the challenges they face in the immediate aftermath instead of only monetarily after the fact.

Henderson County's economy changed completely in the immediate aftermath of the storm. The infrastructure of the region was not capable of supporting the usual fall tourists, and the local businesses suffered a loss of revenue as a result. \$10,500,000 were lost in the agro-tourism industry alone as a result of Hurricane Helene. That impact

cannot be overstated. Even businesses that didn't suffer direct damages struggled as narratives of total devastation across Western North Carolina deterred consumers. While our TDA did a great job reminding folks that there were areas of the County open for business, we lost over \$4 million in stored apples that were ready for distribution.

The hesitancy to use SBA loans for some of these losses speaks to locals' fear of taking on debt in such a challenging economic situation. Though the terms are favorable, residents' concerns about duplication of benefits and their ability to repay such a sum impacted their involvement in the program. Adjustments to the SBA, including the addition of grant opportunities or loan forgiveness for businesses rebuilding and continuing to operate post-natural disaster would have increased the amount of businesses turning to SBA for assistance.

In conclusion, we are extremely grateful for the role SBA's Disaster Recovery Loans played in our recovery from Hurricane Helene. We have learned many lessons from this storm of how to be better prepared to support businesses in the wake of natural disasters and we hope that we can work together with the SBA to implement these changes to better respond to future disasters.

Senator BUDD. Thank you, Commissioner. Now we turn to Mayor Peter O'Leary. Peter is the owner of Bubba O'Leary's General Store, and also serves as the mayor of Chimney Rock Village. Mayor O'Leary has owned Bubba O'Leary's General Store with his wife, Ann, for 33 years. And thank you for being here, and you're recognized for five minutes for your testimony.

STATEMENT OF MR. PETER O'LEARY, OWNER, BUBBA O'LEARY'S GENERAL STORE & MAYOR, CHIMNEY ROCK VILLAGE, CHIMNEY ROCK, NORTH CAROLINA

Mr. O'LEARY. Thank you, Senator. As you said, I'm a small business owner in Chimney Rock Village. I own three retail buildings. Two of them operate as the general store and one of them I rent out to another small business owner.

Hurricane Helene severely damaged two of my buildings and completely destroyed the other one. The buildings were assessed at some point by SBA after we filled out an application for assistance in October of '24. And I was not notified when the assessment was done, but I did receive a phone call shortly after that November 6th, 2024, from an SBA staffer with questions about our application. We were approved shortly after that, and everything seemed to be going extremely well.

Our application to SBA is for the funding to rebuild the destroyed building. My other buildings and contents were also included, and we did need that financial assistance to do some repairs and replace contents in both of them as well.

We knew at the time that no funds were available, and we were told that when we filled out the application. But we were assured that funds would be available soon, and they were, I believe, in January. So, we were excited to move forward.

Our issues started after that, basically, in February of 2025, when I started reaching out to the SBA officers to answer their questions, but also try to get my questions answered. Every few weeks, I would receive a notification that my case manager had been changed. I would then try to reach out with a phone call and/or email to my new case manager with questions, but would not hear from them or would get a very slow response. Then after a few weeks, I would be notified that I had a new case manager came. It became very frustrating.

Over about a six-month period, I had five different case managers. During this time there were several requests for information from SBA, which raised many questions from me about their procedures, and how much I would be allowed to borrow, and other issues. Many times, I would have questions and would reach out to the case manager and not get the information I needed.

My impression of the process was that many of these case managers were not correctly trained or did not have the experience needed to respond to my questions. I have worked in a previous life as a bank loan officer and are very familiar with commercial lending. It was frustrating to try and make building plans and business decisions based on information I was told, and then be notified that something had changed or was not being allowed. This would require me to attempt to clarify information and ask questions, but

a lot of times I wouldn't get a timely response, or I'd have to deal with a new case manager and bring them up to speed.

The whole process has now worked out, thankfully, but it did take about seven to eight months, longer than it realistically should in my opinion. I've heard similar stories from other businesses in Chimney Rock Village who have been very frustrated with the length of time necessary for their SBA applications to be processed, and the confusing information that's given to them regarding their applications and requests for funding.

So, I'll just reiterate that I believe there's a lack of training, and I think that's really the main issue that I noticed as a business owner is that people are not able to respond to the questions, especially in a timely manner. And I just feel like with better management, maybe that problem could be solved. Thank you.

[The prepared statement of Mr. O'Leary follows.]

Peter O'Leary

Mayor of Chimney Rock Village and Owner of Bubba O'Leary's General Store

I am a small business owner in Chimney Rock Village, NC. I own 3 retail buildings. Two of them I operate as Bubba O'Leary's General Store and one of them I rent to another small business owner.

Hurricane Helene severely damaged two of my buildings and completely destroyed the other one on Friday, September 27, 2024. The buildings were assessed by SBA at some point after we filled out an SBA application for assistance in October 2024. I was not notified when the assessment was done but received a phone call from an SBA staffer on November 6, 2024 with questions about our application. We were approved shortly after that and everything seemed to be going extremely well.

Our application to SBA is for the funding to rebuild the destroyed retail building. My other buildings and contents were also included as we needed financial assistance to do some repairs and replace contents in both of them.

The issues started in February, 2025 when I started reaching out to SBA to answer their questions and try to get my questions answered. Every few weeks I would receive a notification that my case manager had been changed. I would try to reach out with a phone call and/or email to my new case manager with questions but would not hear from them or get a very slow, 2-3 week, response. Then after 5-6 weeks I would be notified that I had a new case manager.

Over several months I was assigned 4 different case managers. During this time there were several requests for information from SBA which raised many questions from me about their procedures, how much I would be allowed to borrow, and other issues. Many times, I would reach out to my case manager and not get the information I needed.

My impression of the process was that many of these case managers were not correctly trained or did not have the experience needed to respond to my questions. I have worked as a bank loan officer and am very familiar with commercial lending. It was frustrating to try and make building plans and business decisions based on information I was told and then be notified that something had changed or was not being allowed. This would require me to attempt to clarify information and/or ask questions but I would not get a timely response or would then have a new case manager assigned.

The whole process has been worked out now but it took about 7-8 months longer than it realistically should have. I have also heard similar stories from other businesses in Chimney Rock Village who have been frustrated with the length of time necessary for SBA applications to be processed and the confusing information being given to them regarding their applications and requests for funding.

Senator BUDD. Now, we turn to David Jackson, who serves as President and CEO of the Boone Area of Chamber of Commerce in Boone, North Carolina. And earlier this year, Mr. Jackson was recognized as a Community Advocate of the Year by North Carolina Rural Center. He holds a Bachelor of Science from Appalachian State University. It's a great school. We thank you for being here, and you're recognized for five minutes for your testimony.

**STATEMENT OF MR. DAVID M. JACKSON, PRESIDENT & CEO,
BOONE AREA CHAMBER OF COMMERCE, BOONE, NORTH
CAROLINA**

Mr. JACKSON. Thank you, it's great to see a fellow Mountaineer here as well today. Senator, thank you for bringing this Committee to Western North Carolina, and spending time in this beautiful area of the state. In the testimony that I submitted, I detailed some of the positive aspects of the response with SBA and FEMA in the wake of Hurricane Helene, along with opportunities for improvement.

I'd like to build on those comments this afternoon, by first reiterating sincere gratitude for the SBA and FEMA field agents that arrived in our communities to staff the business and disaster resource centers. These workers left their families to come assist ours. They brought empathy and compassion along with the seal of the United States government, and they helped our citizens and business owners understand a language and a process that was new, confusing, and at times, very frustrating.

These agents were the conduit for over \$85,000,000 in allocated funding through SBA businesses and EIDL loans in Severity 1 Counties as defined by the Economic Development Partnership of North Carolina (EDPNC) and their *Helene Business Loss Assessment Report*. That represents just more than half of the dollars that have been allocated to Western North Carolina to support our small businesses after the storm. The estimated economic loss in the fourth quarter of last year for the region was calculated in that same EDPNC report at \$1,800,000,000. The philanthropic dollars that have been raised nearly match the SBA's deployed loan payouts, but don't come close to satisfying the loss of revenue, or stability, our small businesses saw disappear over the course of about 72 hours.

\$1,800,000,000 in loss cannot be absorbed just through loans to the businesses that lost inventory, revenue predictability, staffing, and core infrastructure. Many of those impacted businesses were not finished paying off COVID-era loans when the storm hit and the thought of more debt was daunting and simply not economically responsible. So, some just closed.

These small businesses are the heartbeat of the economy your Committee aspires to support. We need diversity and available disaster funding for businesses to restore savings, to supplement losses not covered by insurance, and to restore economic stability for our local governments, all of which suffered sales and occupancy tax declines during one of the most profitable quarters of our calendar.

Philanthropic support for businesses has come from fundraising from a number of organizations, individual donors, and local cham-

bers of commerce. The Boone Area Chamber Foundation has raised over \$1,300,000 in hurricane relief, the majority of which has been deployed through Business Disaster Resiliency Grants across Watauga, Ashe, and Avery counties.

We will release a fourth round of that funding next month, centered mostly around storm-related revenue loss. Chambers across Western North Carolina have worked with partners to generate north of \$6,000,000 in direct business disaster support grants. Partners like the U.S. Chamber of Commerce, Mountain BizWorks, Dogwood Health Trust through a partnership with Governor Stein and the North Carolina General Assembly, made grant funds available.

To small businesses, the economic ramifications of this region would be far greater if not for those efforts, but don't come close to covering the loss. As I bring my remarks to a close, I offer our collective partnership. My chamber colleagues and I are eager to participate in conversations about what our business community has experienced.

We're eager to strategize and create a small business disaster support playbook that can be replicated in communities like ours across the state and the country. We feel strongly that funding must come from blended sources, and it must feature creative avenues for deployment. As we see, not all programs fit all businesses. We're ready to help the SBA lean into their preparedness culture that they've tried to create, but honestly hasn't gotten the traction it deserves because, frankly, that's not how our society is wired. We encourage you to bet on small businesses. It's the Main Street coffee shops, the outfitters, the art galleries, the retailers that make our communities different than suburbia.

Many visitors use the Blue Ridge Parkway as their escape, and I thank you and your staff for your leadership in prioritizing parkway repairs and balancing the timing of that work along with the Great American Outdoors Act projects that our region wholeheartedly supports; work that will keep the parkway available for generations to come. There is no more unique connector of our communities than the Blue Ridge Parkway, and the \$1,300,000,000 of annual economic impact this national park generates is essential for our region's economic prosperity.

I conclude with this comment from a local business owner in Watauga County that summarizes the mood of the moment, and certainly, captures some of what we felt collectively during the two months that you referenced a moment ago, that last year, SBA was without disaster funding.

He said, "While I recognized the challenges our leaders face, I remind them that business is not about a vote. It's not about the next election. It's about our lives. And I'd like them to recognize that we represent a real and meaningful part of our economy."

Thank you for your opportunity to speak today, and look forward to additional questions.

[The prepared statement of Mr. Jackson follows.]



Statement before the
Senate Committee on Small Business & Entrepreneurship

SBA's Hurricane Helene Response: One Year Later

A Testimony by:

Mr. David M. Jackson

President & CEO, Boone Area Chamber of Commerce
Boone, NC

September 22, 2025 | 2:00 PM
Henderson County Historic Courthouse, 1 Historic Courthouse
Square, Hendersonville, NC 28792

David Jackson, President/CEO, Boone Area Chamber of Commerce

Chair Ernst, Ranking Member Markey, and distinguished members of the committee: My name is David Jackson, and I serve as President/CEO of the Boone Area Chamber of Commerce. Thank you for your visit to Western North Carolina and for providing me with the opportunity to testify before you today. I am proud to represent my chamber colleagues from across the region as I share my thoughts and experiences regarding the Small Business Administration's disaster response efforts in Western North Carolina following Hurricane Helene.

The Boone Area Chamber of Commerce was established in 1949 and is fueled by its mission to connect business and community partners, to enhance opportunities through advocacy and education, and support continued sustainable economic development within our region. I began my tenure as President/CEO of the chamber on August 1, 2016, after serving 16-years as a staff member in the Department of Athletics at Appalachian State University. Arriving in Boone from Greensboro, North Carolina, to attend App State in August 1996, I have lived almost two thirds of my life in this community.

The Town of Boone and Watauga County serve as the economic hub of Northwest North Carolina. The population of Boone is **19,092** and Watauga County has a total population of **51,972** residents. (Center, 2023)

Like the mission of your committee states, small businesses are truly the heartbeat of Western North Carolina's economy. There are **25,195** jobs across **2,030** business establishments in Watauga County. (State, 2025) The Boone Area Chamber of Commerce represents a membership of 715 businesses across the High Country region. Nearly **85% of our members** represent businesses with 20 or less employees, which mirrors the county's broader small business demographics. (Commerce, 2025)

"You must have a long-term mindset." Brock Long, former FEMA Administrator and Appalachian State University graduate, visited Boone Monday, September 30, 2024, where he shared that quote with a small group of emergency management officials, local municipal staff, elected officials, and community leaders who assembled at the Boone Area Chamber of Commerce. Those may have felt like just words in the moment, but they have become the battle cry of all response agencies in the months that have followed Helene's impact.

In summary, I am grateful for the response of our Federal, State, and local government officials in the immediate aftermath of the storm. Hurricane Helene presented North Carolina with its greatest natural disaster on record, and the topographical challenges and remote nature of our region made emergency response efforts even more daunting. As SBA and Federal Emergency Management Administration resources were deployed, our region experienced inefficiencies, funding delays, and the absence of diverse and reliable tools that were needed to stabilize our business community. The response efforts were further impacted by the tumultuous noise, politicization, and misinformation that was spread in the wake of this disaster, which was unfortunately positioned so close to the November 2024 election. My testimony aims to highlight what was positive about the response, what are identified areas for improvement, and some helpful stats and reports that can add context to the ongoing conversation.

Positive Aspects of the Helene Disaster Response

David Jackson, President/CEO, Boone Area Chamber of Commerce

Trained Staff in our Region

Less than 24-hours after the storm's departure, and more specifically once communication could be re-established, I received the first request from the Watauga County EOC to arrange for hotel rooms for the first wave of arriving SBA and FEMA staff. Thankfully, the cancellation of the Appalachian State football game that was scheduled for September 28th meant there were a significant number of rooms available in the market. We worked with several chamber hotel partners to secure rooms and return what I soon learned was the ultimate key in the deployment of staff – a reservation confirmation number. Between SBA, FEMA, law enforcement, and other responding agencies, our team coordinated reservations for well over 100 individuals in the days that followed the storm.

The Boone Area Chamber of Commerce worked with both SBA and FEMA staff to establish the Business Resource Center and the Disaster Resource Center in a co-located location inside the Appalachian Enterprise Center, which is a facility we manage on behalf of Watauga County. This gave our staff daily interaction with both teams.

I feel strongly that the most underreported and positive aspect of this disaster response was the impact responding staff had on our community members. I realize the operation of BRCs and DRCs in disaster areas requires additional expense, but this is where the work and connection with resources was at its very best. Connectedness is not 100% guaranteed on a blue-sky day in our region, especially after a storm that wipes out core infrastructure for weeks.

The suggested reliance of post-storm support coming through phone calls and internet access are not customer-service forward nor most efficient in these circumstances. In-person centers are staffed mostly by disaster survivors themselves, who not only possess empathy and language for the moment, but they have a keen awareness of the process these applicants are attempting to navigate. Appalachia culture requires time to build trusting relationships. It would have been most helpful to us if elected officials and staff at all levels would have prioritized providing credibility to this work by explaining these roles and publicly supporting the work of field agents. Among all of the bureaucratic challenges, the people on the ground were the part of this operation that worked the best.

Access to Key Staff

The Boone Area Chamber of Commerce hosted a meeting featuring Francisco Sanchez, Associate Administrator, the SBA Office of Disaster Recovery & Resilience on October 10, 2024. We were asked to bring together a group of impacted businesses and community leaders to provide a platform for a deeper explanation of available SBA resources, which helped knock down a significant amount of misinformation at the time. Combined with numerous visits from Senators Thom Tillis and Tedd Budd, and the continued presence of senior SBA and FEMA staff in the area gave us numerous outlets to route complex questions and circumstances up the ladder.

Opportunities for Improvement

Receding Resources

David Jackson, President/CEO, Boone Area Chamber of Commerce

It was at the October 10th meeting where Administrator Sanchez warned of the impending exhaustion of funds for the SBA disaster loan program, and urged businesses to get applications in quickly to ensure they were in queue when funding was reauthorized.

We received an email notification from Administrator Sanchez on October 16, 2024 that funding indeed was exhausted, and the chamber and other resource partners were left trying to convince businesses to apply for a loan that had no timeline for available funding. While SBA did an adequate job in our area of communicating that pending applications were still active, that point was drowned out by the larger, more nationally communicated message of the exhaustion of funds. The chamber and other partners continued to urge businesses to get applications submitted during the two-month funding lapse, so they could be among the first considered when reallocation of monies occurred. The politicization of disaster support funding as part of the Continuing Resolution debate was an added stressor to a very difficult time for our community.

Lack of Flexibility of Available Assistance

The main topics that were brought forward by our small businesses in the meeting with Administrator Sanchez were the need for additional, forgivable funding programs and the need for simplification of the SBA disaster loan application process.

Many businesses in our community shared they were still paying back COVID-era loans when Helene hit, and the thought of taking on another loan with high-risk collateral was too burdensome to consider. It did not help that the last major government economic intervention came from legislation that met a national moment in response to COVID-19. “Are we going to get something like PPP?” was a common question in our office for several months after the storm. Lack of cash flow was a prevalent issue, as October represents one of Western North Carolina’s top two months of the year for tourism revenue collection. Combined with complicated interactions with insurance carriers that saw significant denials of flood and business interruption claims, small business owners were not receiving many positive answers in the wake of the storm.

The creation of a loan that offers the opportunity for forgiveness based on certain performance standards is worth considering in my opinion, especially if those standards are tied to retaining jobs. The Watauga County Economic Development Commission, staffed by the chamber, published a monthly report in the aftermath of the storm that showed the concern regarding cash flow and access to adequate staffing businesses carried with them for several months following Helene’s impact.

Simplification of the Loan Application Process

Families and small businesses that have experienced a disaster of the magnitude of Hurricane Helene don’t always have instant access to the documentation needed to complete SBA and FEMA applications. In many cases hard copies of financial records were compromised or they were stuck inside buildings that were not safe to search.

I would encourage those outside of an impacted disaster area to consider the perspective of individuals who have just lost their home, business, or even loved ones. Asking people to

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navigate a burdensome documentation process during such devastation is not only impractical but also lacks sensitivity to the reality they are facing.

As a recent end user of FAFSA, I can't be more thankful for the streamlining of that process, especially as it comes to accessing financial documents that have already been submitted to the government. We heard from many community members that submitted applications to both FEMA and the SBA for disaster aid services, and were frustrated by the lack of records communication between those agencies, the IRS, and any other State agencies that were asking for much of the same information at the same time. I have one member who shared that part of her application with SBA was on hold because she could not upload an adequate image of her state-issued driver's license. It had been damaged and faded during the storm. Is this not a record that could be accessed through the NC DMV? I realize that information and privacy is important, but there is some practicality that should lead to efficiency during a disaster. If the Federal government can pull my tax records into my FAFSA application, why can't the government automatically access business and personal records for disaster application purposes during a time that is incredibly hectic?

Where are we now?

As we approach the one-year milestone since Helene's impact, our economy has experienced a return of its tourism activities, Appalachian State University has entered its fall semester in a mode of normal operations, and our surrounding small businesses continue to rebound. Still, there is instability within our economic climate, continued confusion regarding regional messaging, and a lack of financial cushion that could prove costly should our region be faced with another disruption in the near term.

Fall offers the opportunity for small businesses in our rural region to make their "hibernating money," helping them to become less reliant on foot traffic during months impacted by cold, harsh winter weather. While the winter sports economy provides a **\$244.3 million impact** on the regional economy, not every business is positioned to take advantage of winter tourism. The High Country did not have that opportunity in 2024, and many businesses spent their savings on repairs not covered by insurance or other sources. Our small businesses lack the financial stability to survive another significant disruption at this time.

In 2016, Watauga County was impacted by the Horton Fire, which burned over 1,500 acres near Blowing Rock. On August 9, 2020, a 5.1 magnitude earthquake was recorded in Alleghany County, damaging over 100 homes, and triggered \$24 million in recovery funding from the State of North Carolina. In March 1993, Watauga County was one of many locations impacted by the Storm of the Century, where over 40-inches of snow and blizzard conditions crippled the region for weeks. The next disaster is not limited to just a flood.

The Boone Area Chamber of Commerce and our sister organizations throughout the region are committed to discussing and implementing an Economic Recovery Playbook concept, one that addresses the short and long term needs of small businesses post-disaster. This can include a public-private partnership to raise funds for short-term cash flow assistance and forgivable loans, access to streamlined government-backed disaster loan products, and the technical assistance

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from trained staff and agencies that has been essential to people throughout our region in navigating the complexities of the Helene response.

The Economic Development Partnership of North Carolina (Carolina, 2025) and Mountain BizWorks (BizWorks, 2025) have both published extensive studies related to the economic impact of the storm on the region and state economy, along with the impact to small businesses in Western North Carolina. These reports point to the same solution – more direct funding to businesses when impacted by a declared disaster, especially one the magnitude of Helene.

As I stated at the beginning, small businesses are the heartbeat of Western North Carolina. Taxpayers and those businesses that generate tax revenue are among those that have been deeply impacted. They help our local, State, and Federal government every day by providing goods and services, providing jobs, paying their bills, and adding to the tax base. The faster they are made whole, the faster the revenue and workforce wheels can begin to spin again --- and we all need that to be seamless and helpful, not confusing and scary.

I welcome the opportunity to provide additional details and data points at the request of this committee. I thank you for your concern for our region and for your attention to this testimony. Know the people of Western North Carolina are not looking for a hand out, but simply a hand offering the assistance that will get us back to where we were before the storm.

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Senator BUDD. Thank you. And I thank each of you for your testimony. I recognize myself for some questions. As we're coming up on the one-year anniversary that's actually this Thursday night into Friday the 27th, we're all reflecting on the horrors that were brought by the storm. And the scars left by Helene are innumerable, but I'm proud of how we're coming together as a community to support each other in rebuilding after the storm. So, with this in mind, would you walk us through the immediate aftermath of the storm and what the federal response was like on the ground? Commissioner McCall, let's start with you.

Mrs. MCCALL. Well, frankly, I wasn't even thinking about the federal government at the time. I was thinking about how to get from my house to downtown because every road was blocked by either fallen trees, or fallen power lines, or flooded, or one way or the other. It took hours, and hours, and hours, to clear a path just to get from one spot to another. But we did come together, and we did take care of each other, and our EMS was amazing. They had prepared days ahead of time, and they were in prominent locations so that they could respond quickly. And our fire departments had gone door to door previously, days before to evacuate people that we thought needed to be out of harm's way and that saved many, many, many lives. We were setting up shelters; we were looking for generators; we were doing everything that we could think of just to survive. I'm going to tell on our county manager; he broke into Ingles and took food off the shelves just to take our EMS facility so that those people would have something to eat. But then we saw a response from numerous organizations. It was volunteers, it was nonprofits, it was churches, it was people coming from all over bringing things, and bringing food trucks, and helping us get through each day, one day at a time. FEMA did show up. SBA showed up maybe a week, I think it was a week later. It's hard to put in my mind the time elements, but everybody did start to come. They had to learn the lay of the land, though. They were unfamiliar with who we were, and what was going on. But they were here, they wanted to help, they wanted to respond. But we felt a little bit like we needed to—they expected us to cater to them, and we did not have time to do that. So, we said, you know, here's what it is. Figure it out yourself. Tell us what you need. We'll find the best way to help you get what you need. So, we did set up a distribution or a disaster relief center. We turned our college parking lot over to FEMA, and they set up all of their places to stay there. They took it over. I remember seeing all these trucks show up, and it was like a convoy of trucks, and they were pulling these trailers that looked like shower trailers. And I was going, "They're here. The shower trailers are here." But they were only for FEMA employees. They weren't for our public. So, we had to wait for others to show up. But like I said, they came, they did their thing, they went door to door, they put flyers on doors. But it was more, we took care of ourselves, we took care of each other, and that's how we got through this, and that's how we're continuing to get through this.

Senator BUDD. Thank you, Commissioner. Mr. Mayor?

Mr. O'LEARY. Well, the initial response was certainly much more local. As Commissioner said, the volunteer fire departments did a

fantastic job, the county officials. We had a lot of out-of-town people and just local citizens, for that matter, bring equipment in to help out. SBA and FEMA did show up well. FEMA more specifically, but it was the very early—I don't mean to cast too many aspersions on, but the very early was more like almost a PR-type appearance for FEMA. But they did show up and start going around and assessing the damage. But I think one thing you have to sort of keep in mind is that it's kind of a multi-layered approach. I mean, local obviously is going to be the first ones to respond. And, honestly, in my opinion, the federal government, FEMA, SBA, their response does come several weeks and maybe even several months later as you're trying to rebuild more. The biggest problem that we had, and I'll switch my mayor hat, was there is a tremendous amount of cleanup that has to be done after an event like this right away. And you can't wait for—you can't even wait a day. I mean, people need to have roads cleared, driveways cleared, access for safety, and you know, just for the well-being of the public. So, that falls on the local governments. It falls on Chimney Rock Village, for example. But the problem that we faced was that's extremely expensive for a small community like ours. And FEMA is set up basically as a reimbursement agency for those types of things. And that moves extremely slow. So, I think a lot of your small communities faced a huge financial crunch trying to pay these local contractors who are doing a phenomenal job of cleaning, but then you turn around for funding to pay for that from FEMA, and it takes quite a bit of time. And I hope that—I do understand that maybe some changes are being made along those lines, but for as far as the federal response, that's really the biggest hurdle that I saw was just the way that the funding goes to reimburse the communities. It maybe should be funding up front for some of these immediate needs.

Senator BUDD. I think it's helpful.

Mr. JACKSON. Yeah. So, I'll start this off in a couple of different ways. First off, I remember our FEMA administrator's name, Jake Kwiatkowski. He was the first person to reach out to us. I found out very quickly that in order to get FEMA or SBA staff into the community, that required a reservation authorization number from the hotel. If they were going to come, and stay, and be deployed, that that confirmation number was what triggered the deployment. So, our office ended up coordinating about 100 different federal personnel for the local area that way, and we were glad to be able to do so. And I'm appreciative that because of the storm's impact on the football game, we had enough hotel space for that to occur. There was some additional confusion about the setup of the Business Resource Center and the Disaster Resource Center. They were co-located in a facility that we managed, which we were happy to do. But who was taking the lead on that? And that's where Jake was able to come in and say, you know, here is the process. That facility had to be inspected twice by two different agencies before full deployment could occur. And that ended up taking a few extra days to get that resource up. I will say, though, that the staff that we had in Boone, working out of that center, seemed to be specifically trained for some key things. And I go back to Jake for a second. He was a former firefighter with a background in building,

planning, and inspections. That became incredibly helpful dealing with the impact of the disaster that we had on our side. And again, I mentioned it in my testimony, the fact that the folks that got deployed were disaster survivors. We had folks from Houston, Puerto Rico, Florida, that were able to teach a language that people did not understand and brought some compassion along with that. So, that part of our experience was very helpful. Our FEMA staff and SBA staff got in line with our emergency management very quickly. And Will Holt was able to make a lot of the decisions and make sure that there were people that were going out with those folks. Because one of the first things that was shared with us was that this disaster brought a topographical challenge that nobody had ever seen before. And they just didn't know where to go or how to access some of those areas. So, that I would totally agree with, our local responders were essential in making sure that the federal response could get deployed accurately.

Senator BUDD. That's very helpful. You know, Mr. Mayor, when you were speaking, it reminded me of Ronald Reagan's nine famous words, "I'm from the government, and I'm here to help." But hopefully, with some reforms, we can actually be a little more helpful. This is very good, appreciate that. You know, as a lot of you know, the Biden Administration made a number of changes to SBA's disaster loan program, including increasing the unsecured loan limit and changing the "credit elsewhere" standards. These changes, coupled with a lack of Congressional notifications when funding for the disaster loan program was almost exhausted, led to a 66-day shortfall in the program. And this is just days after the storm in early October. During the shortfall in North Carolina alone, over 900 businesses were left waiting to receive loan approvals and disbursements, thus delaying their recovery by over two months. Mr. O'Leary, can you talk about the impacts that shortfall had on your business and community?

Mr. O'LEARY. Well, it affected people's planning. I guess, for the individual businesses. We were, like I said, able to get the applications done fairly quickly. So, that response was good. And then, even the follow-up to me personally was pretty quick, I thought. And I was approved for the loans that they said, but they said there's no money. So, that was extremely frustrating. And then when you're working with—obviously, you have to work with a builder if you're rebuilding, or you know, spending the money in some fashion. And those people are asking what your plans are or when you can start, and you don't know. There's just so much uncertainty.

Senator BUDD. Do you know how long after the storm of September 27th that you actually began the paperwork process?

Mr. O'LEARY. We did in, probably, mid-October. I don't know the exact date, but yeah, mid-October. And we were actually approved, I did have an interview on November 6th, and shortly after that, our application was approved, but approved and no funding.

Senator BUDD. Which didn't happen until earlier this year of 2025, the funding. In North Carolina, we're entrepreneurs at heart, including in rebuilding. Mr. Jackson, the Boone Area Chamber of Commerce set up its own program, I think you addressed that a few moments ago, for business resiliency grants. Could you talk

more about how these grants bridge the gap during this time with no SBA funding, and how it continues to help recovery today?

Mr. JACKSON. Yes. Thank you for acknowledging that. There was no gap to bridge. It was the money. We were very quick to find out that through the delay process, and the SBA loan program, certainly that happened, as you mentioned right after the storm was over. We found also that the timing of insurance payouts that weren't coming, it seemed like everything was a negative answer. The State of North Carolina was working through the General Assembly on their own ideas around grants, but nobody's got anything that looks like that, from a governmental standpoint, that is a true grant. I think one of the unfortunate things about the timing of this, too, is that this disaster occurred close enough to the COVID pandemic that that's what people were looking for. The amount of times I heard, "Are we going to get a PPP loan? Are we going to get something that behaves like that?" And the behavior, yes, that makes a lot of sense. Some sort of forgivable loan that has some performance tied to it could have been the right recipe. But without that, not only our Chamber, but chambers across the region, and other partners like Mountain BizWorks, and others, had no other choice but to try to get the philanthropic dollars. And that's where, I think, there's a silver lining here in just finding out how much people care about our region. Those dollars came in from all over the country, all over the world for that matter. And they were small, they were large payouts, they were philanthropic agencies that got behind that work, but they wanted to see the small communities that we all represent here survive this. So, we were able to put together an initial payout of \$206,000 that went directly to our early childhood businesses and the families that have kids in those programs. We paid off tuition for the month of October, because we knew that families needed some money to make quick repairs, but we needed that industry stabilized. Soon after that, we've deployed a little over \$1,000,000 dollars now in grants—small end, \$500, top end, about \$25,000. But you hear from businesses that had the foundation of their business knocked off, the building off of the foundation, or major infrastructure hurdles, that a \$25,000 grant's not going to touch. So, it gets back to the broader picture of how we are looking at business in terms of the disaster. We've got good programs for the individuals. A lot of these individuals have family businesses that are almost symbiotic. And that's where we are eager to have some conversation about what comes next, and how can we have something that's readily available deployable by communities for these instances.

Senator BUDD. Thank you. The SBA's Office of Inspector General and the U.S. Government Accountability Office have both reported that the SBA fails to effectively reach rural communities following a disaster. After Hurricane Helene, these problems were only compounded by downed telephone lines and little to no internet service. Mr. O'Leary, you were not only a leader of the community, but you were also a small business owner. So, how did you learn about SBA's products, especially in those early days, and what sort of outreach do they do in your community to let you know who they were and how they could help?

Mr. O'LEARY. We learned primarily about SBA through the FEMA representative. So, if you were a business and you went to the FEMA representative and filled out—they encouraged you to fill out applications and we did, too. We encouraged all of our residents to fill them out. And if you were a business, they directed you to SBA. Our problem was SBA didn't have an office set up in Chimney Rock Village. They were mostly set up—the two I remember were in Asheville and Hendersonville, which at the time, we had to go—we couldn't go directly there because, like you said, the roads being out. So, we had to drive about an hour drive, an hour and a half drive, to get to those offices. Eventually, they did send some representatives down after—I can't remember the exact timeframe, but it would've been in the January or February timeframe, that they sent SBA officers.

Senator BUDD. FEMA was in the early weeks?

Mr. O'LEARY. FEMA was much earlier. We had FEMA representatives in mid-October that were down there talking to residents.

Senator BUDD. And so, in that early period, FEMA was telling you about SBA, but it was months before SBA came to you?

Mr. O'LEARY. Right. And FEMA said, fill out a FEMA application, but then if you were a business, you had to take that next step and fill out an SBA application.

Senator BUDD. Thank you. The U.S. Small Business Administration provides loans to renters, homeowners, and businesses following a disaster. SBA established a field presence in North Carolina shortly after the storm to provide in-person consultations for these types of loans. We've talked about that just a second ago, although it wasn't always where the need was. So, Commissioner McCall, I know that Hendersonville had an active recovery site with multiple agencies. Do you think this was beneficial? And what was your experience in coordinating with the federal resources?

Mrs. MCCALL. Yes, it was very beneficial. We were lucky enough to find a place. It was previously had been a grocery store, so it was a large space that we were able to separate and have FEMA on one side, and our local nonprofits and other organizations on another side. Even our DHS was there for a period of time for the SNAP project. Having everything under one roof was helpful because people could come, and if they met with say, FEMA, and FEMA said you needed to meet with SBA, then it was all right there together. One of the problems that I think needs to be addressed is all the application filing. I mean, it is all the same government, and there were multiple applications that had to be filed. And if you didn't dot an I or cross the T, you were automatically denied. I actually think this goes—there's a movie about this—but I actually believe that they're trying to say no first, and get people to appeal. And a lot of people didn't know that they could appeal, and so they just went away. But if anybody contacted me, I said appeal, appeal, appeal again, appeal, appeal a third time, appeal a fourth time. One of the organizations that was there represented the Commissioner of Insurance for North Carolina, and insurance really was concerning because the insurance denials were worse than the FEMA denials, I believe. There was a family that I know of that their whole entire house flooded from raw sewage. And the sewage came up from inside of the house. And they had flood insur-

ance, but they were denied by their insurance company because the sewage did not come in from outside. If it had come in from outside, then their insurance would've paid. So, they had to turn to FEMA. Again, they were denied. I think they eventually got \$20,000 for their \$400,000 house that had to be completely rebuilt inside. And if it hadn't been for our local churches and other organizations to help them, they probably would never have been able to rebuild their house, but they're back in it today. But it took months, and months, and months, and months, to get there. But I think having all those organizations together to support each other, and especially a one-stop-shop for those who needed the help was very beneficial.

Senator BUDD. Thank you, Commissioner. Mr. O'Leary, from your testimony, it's clear that you experienced a lot of problems on the back end of your loan. Even once the shortfall ended and there was the funding, I think we can all agree that a couple of weeks is too long to wait for simple questions to be answered, and eight months is too long to receive disbursements for your loan. So, how did the long wait time impact your ability as a business to recover from Helene plan for the future of your business?

Mr. O'LEARY. Well, it just put everything in limbo in the sense that we couldn't make firm plans. We thought that we were moving forward with the funding. We thought we'd been approved, actually, right up front. And then, once the money became available, we were asked to provide additional documentation. We were given additional clarifications, and it became very confusing. And that's why there were so many questions that I had for my case managers. And it just slowed the whole process down. I mean, it essentially added a good six to seven months to our rebuild time. And we are presently looking at receiving funding within the next couple of weeks and starting the building. But you know, we were hoping to start back in March or April. And so, it's just put that much of a delay on it. So, for a seasonal business like Chimney Rock Village, and a lot of Western North Carolina, we are seasonal, if you don't do it at the right time of year, then you're liable to not only miss this season, but maybe the next season. So, that's why, of course, for us, timing is very important. But you know, it could have easily happened—this funding could have happened six months ago if things had been moving a little faster.

Senator BUDD. That's very helpful. Thank you. You know, our second panel has the SBA's Associate Administrator for the Office of Disaster Recovery and Resilience. So, I'd like to ask two things from each of you all while you're still here, given that you've got a unique opportunity to give feedback. First, what's your top line message to SBA about Hurricane Helene, specifically? And second, if you could ask SBA to fix one thing, what would it be. Commissioner, I'll start with you. Now's your chance.

Mrs. MCCALL. Make the process simpler, I think. We were speaking earlier in the room we were waiting in, if anytime you go to—well, Mr. Jackson brought up the example of FAFSA. FAFSA used to be the hardest application to fill out ever made, but I helped my granddaughter this year, and it was just a matter of minutes, and it was all complete. And because they were able to pull from all the information that was already there, why can't the process be as

simple with other applications? But also, loans are great, but SBA needs to look at it from the small business perspective, and realize that these people needed help recovering, and they were already paying off a mortgage. And if they lost the business, if the business floated down the river, then there's nothing left of that business to even have a loan for. And then they're stuck with that loan, and then they're facing the possibility of bankruptcy. So, there needs to be a possibility of offering grants, or forgivable loans, or whatever it is. But there's got to be more to offer through the SBA than just the loan.

Senator BUDD. Thank you. Mr. O'Leary?

Mr. O'LEARY. I would say I would echo that, simplify the process. And by that, I mean also cover all the basics upfront. I mean, as I said, I was a commercial loan officer years ago, and when you're approved for a loan, then you're approved for the loan, and you know up front what the money's for. And I felt like things kept changing, and that's why I needed all these clarifications because they approved me, and then they started kind of changing the rules and saying, "Well, this doesn't cover that, and it doesn't cover this." And it's like, "Well, I thought it was approved." So, I think simplify the process, make sure you cover all those bases up front. And then, the other thing I would just emphasize is the people that are dealing with the public, just make sure they're well trained. Just train them in how to answer these questions and have a timeline for when you get back to people with an answer. You know, it shouldn't be weeks to get an answer. It should be maybe a day or two, if not a few hours.

Senator BUDD. I think you mentioned there were six loan officers in five months or so.

Mr. O'LEARY. Five case managers.

Senator BUDD. Five case managers.

Mr. O'LEARY. Yeah, over a six-month period, five case managers.

Senator BUDD. So, that added to the complexity, of course.

Mr. O'LEARY. I never knew who to contact.

Senator BUDD. Thank you. David.

Mr. JACKSON. So, my advice would be customer-forward relationships. And, I emphasize the word relationships. And maybe this was a little bit unique to our disaster, given the geographic region, but I would echo or I would think that this would echo across the country as well. We've got some deep-rooted Appalachia culture in our region, where trust is earned. This is not a community where you say, "Go call somebody on the phone," especially, when the phone is at work. Don't call somebody on the phone, don't log onto a website and wait for your time in the queue. This is about a person who's in a center that you form a relationship with. And once those relationships were able to be formed, we had some of the best interaction with FEMA, the SBA, and any federal agency for that matter. And then it all went away. I would consider the value of customer-forward relationships, and how that can lead to the information getting processed in a timely manner. I would echo the process. I think that's been well articulated. I would go back to my one suggestion, being diversity in the products you offer—forgivable loans. I don't think that anybody that's been represented by any of our communities has just come to this thing looking for a

handout. They need a hand up into making sure that they have a fighting chance to move forward. And that means there's a measure of performance that I think that most businesses, most small businesses, in our region are willing to understand that they have to abide by. It's not just take a check and go to the beach. It's here's what can help me get my doors open again. Forgivable loans, grants, that equals tax base. And it comes back to the customer side of this. Again, taxpayers are customers, too. And I think that if there were more tools that were available to help them get out of the gates, they are the first ones that want to be a part of the positive piece of recovery for all of our communities.

Senator BUDD. This has been great. Thank you all for being here today. We appreciate your time. We appreciate your testimony. We're going to take a quick recess to allow our first panel to get up and allow the table to be reset for the second panel.

[Recess.]

Senator BUDD. I call the Committee back to order. And we will now proceed with our second panel. I'm pleased to welcome Mr. Chris Stallings, who serves as the Associate Administrator for the Office of Disaster Recovery and Resilience at the Small Business Administration. Prior to his role at the SBA, Mr. Stallings served as the director of the Georgia Emergency Management and Homeland Security Agency. We thank you for being here, and you're recognized for five minutes for your testimony.

STATEMENT OF MR. CHRIS STALLINGS, ASSOCIATE ADMINISTRATOR, OFFICE OF DISASTER RECOVERY & RESILIENCE, U.S. SMALL BUSINESS ADMINISTRATION, WASHINGTON, DC

Mr. STALLINGS. Chairman Budd, thank you for the opportunity to testify today on behalf of the U.S. Small Business Administration, to discuss SBA's recovery operations in response to Hurricane Helene.

My name is Chris Stallings, and I have the pleasure of serving as the Associate Administrator of SBA's Office of Disaster Recovery and Resilience. I bring nearly two decades of emergency management and public safety experience to this role. Before joining the SBA, I served as the Director of Emergency Management and Homeland Security, leading the state's responses to disasters, including the COVID-19 Pandemic and Hurricane Helene, the very storm that brings us here today.

As we gather in front of the Henderson County Historic Courthouse, I'm reminded of the incredible resolve Americans displayed during the challenges brought by Hurricane Helene, which was one of the most destructive storms to impact North Carolina and the surrounding region. These were challenges I witnessed firsthand in Georgia where communities were destroyed, and where families and small businesses were devastated.

Under the leadership of Administrator Kelly Loeffler and at the direction of the President, Donald J. Trump, the U.S. Small Business Administration has improved its readiness to serve disaster-impacted communities like these, and we have committed to taking the lessons learned from Hurricane Helene to ensure that the SBA is always ready to provide reliable and robust disaster support.

We are ready when disaster strikes, and we are committed to serving as a trusted partner in recovery. And to that end, SBA continues to lean forward supporting long-term recovery and economic relief for all Americans affected by disasters.

Since January the 20th, 2025, the SBA has restored our recovery mission to begin and end with the survivor in mind. We have elevated our regional recovery coordinators for rapid information sharing and extended partnerships with local and state agencies to maximize outreach and service delivery.

We have prioritized cross training with our Office of Field Operations to deputize more SBA personnel to assist with disaster response. Most importantly, we have improved funding readiness to prevent disruptions like those we saw during the Biden Administration, which left thousands of Americans stranded without vital relief.

SBA has expanded ground support to guarantee help is visible and accessible to everyone. Through listening sessions with state emergency management leaders and SBAs Office of Rural Affairs, SBA has bolstered our recovery response to rural regions, deploying mobile recovery vehicles, portable loan outreach centers, which brings our team and the disaster assistance programs to the survivor, no matter how remote their location.

And in July, we ended a Biden-era regulation that banned the SBA from providing disaster relief in the form of economic injury disaster loans to faith-based organizations. SBA has also extended the capacity of our disaster processing and disbursement center to accelerate the release of funds after the loan is approved. Today, the average approval time after submission is 14.83 days, down from 17.73 days just a year ago.

During recovery operations for Helene, SBA mobilized 381 staff across seven states, supporting 115 disaster recovery centers. These centers which provide in-person assistance to residents, businesses, and nonprofits seeking federal disaster assistance were visited by over 27,000 disaster survivors, with SBA approving over 18,500 applications for a total of \$1,700,000,000 in long-term recovery funds, helping families rebuild homes, allowing small businesses to replace equipment and inventory, and fueling the local economy recovery.

In North Carolina, SBA led economic stabilization efforts and developed the recovery needs assessment, and recovery support strategy, which identifies specific needs of small businesses. Utilizing available data, SBA provided targeted support through our resource partners fueling local economic recovery.

SBA has remained a key contributor in recovery initiatives, which includes the Private Roads and Bridges Task Force holding business recovery resource expos, and hosting mitigation funding workshops, enabling survivors to use additional SBA funding assistance to reduce the risk of future disaster damage.

Our agency remains focused on how we can continuously improve and help the disaster survivor. The lessons learned during Hurricane Helene were vast and have already been woven into SBA's mission to deliver disaster loan assistance through extensive partnerships with local leaders, our own field apparatus, and a small business community.

In closing, thank you for your continued support of SBA's disaster recovery mission. Your partnership ensures that we deliver timely and reliable assistance to families and small businesses when they need it most. The SBA remains committed to helping disaster-impacted communities rebuild stronger and more resilient for the future.

Thank you, and I look forward to your questions, sir.
[The prepared statement of Mr. Stallings follows.]

James “Chris” Stallings, Associate Administrator, US Small Business Administration

Opening Statement for Senate Committee on Small Business and Entrepreneurship Field Hearing “SBA’s Hurricane Helene Response: One Year Later”

Senator Budd:

Thank you for the opportunity to testify today on behalf of the U.S. Small Business Administration to discuss SBA’s recovery operations and response to Hurricane Helene.

My name is Chris Stallings, and I serve as the Associate Administrator for SBA’s Office of Disaster Recovery and Resilience. I bring nearly two decades of emergency management and public safety experience to this role.

Before joining the SBA, I served as the Director of the Georgia Emergency Management and Homeland Security Agency, leading statewide responses to disasters including the COVID-19 pandemic and Hurricane Helene—the very storm that brings us here today.

As we gather in front of the Henderson County Historic Courthouse, I am reminded of the incredible resolve Americans displayed during the challenges brought by Hurricane Helene, which was one of the most destructive storms to impact North Carolina and the surrounding region. These were challenges I witnessed firsthand in Georgia, where communities were destroyed and where families and small businesses were devastated.

Under the leadership of Administrator Kelly Loeffler and at the direction of President Donald J. Trump, the U.S. Small Business Administration has improved its readiness to serve disaster-impacted communities like these – and we have committed to taking the lessons learned from Hurricane Helene to ensure that the SBA is always ready to provide reliable and robust disaster support.

We are ready when disaster strikes and are committed to serving as a trusted partner in recovery. To that end, SBA continues to lean forward, supporting long-term recovery and economic relief for all Americans affected by disasters.

Since January 20th, 2025, the SBA has restored our recovery mission to begin and end with the survivor in mind. We have elevated our regional recovery coordinators for rapid information sharing, and extended partnerships with local and state agencies to maximize outreach and service delivery. We have prioritized cross-training with our Office of Field Operations to deputize more SBA personnel to assist with disaster response.

Most importantly, we have improved funding readiness to prevent disruptions like those we saw during the Biden Administration, which left thousands of Americans stranded without vital relief.

SBA has expanded ground support to guarantee help is visible and accessible to everyone. Through listening sessions with state emergency management leaders and SBA's Office of Rural Affairs, SBA has bolstered our recovery response to rural regions. Deploying Mobile Recovery Vehicles and Portable Loan Outreach Centers brings our team and the disaster assistance program to survivors, no matter how remote their location. And in July, we ended a Biden-era regulation that banned the SBA from providing disaster relief to faith-based organizations.

SBA has also extended the capacity of our Disaster Processing and Disbursement Center to accelerate the release of funds after loan approval. Today, the average approval time after submission is 14.83 days, down from 17.73 days last year.

During recovery operations for Hurricane Helene, SBA mobilized **381 staff** across **seven states** supporting **115 disaster recovery centers**. These centers, which provide in-person assistance to residents, businesses, and nonprofits seeking federal disaster assistance, were visited by over **27,000 disaster survivors** with SBA approving over **18,500 applications** for a total of **\$1.7 billion** in long-term recovery funds, helping families rebuild homes, allowing small businesses to replace equipment and inventory, and fueling the local economic recovery.

In North Carolina, SBA led early economic stabilization efforts and developed the Recovery Needs Assessment and Recovery Support Strategy, which identified specific needs of small businesses. Utilizing available data, SBA provided targeted support through our resource partners fueling local economic recovery.

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Our agency remains focused on how we can continuously improve to help disaster survivors. The lessons learned during Hurricane Helene were vast and have already been woven into SBA's mission to deliver disaster loan assistance through extensive partnerships with local leaders, our own field apparatus, and the small business community.

In closing, thank you for your continued support of SBA's disaster recovery mission. Your partnership ensures we can deliver timely and reliable assistance to families and small businesses when they need it most. The SBA remains committed to helping disaster-impacted communities rebuild stronger and more resilient for the future.

Thank you. I look forward to your questions.

Senator BUDD. Thank you for your testimony. I now recognize myself for questions. Mr. Stallings, you've been in this position since February of this year, and thank you for your willingness to serve. While you were not in this role during the SBA's initial response to Helene, this afternoon, you were able to listen to the experiences of individuals in businesses across Western North Carolina in the aftermath of the hurricane. So, is there anything that you'd like to say in response to their testimony and the discussion we had previously?

Mr. STALLINGS. First and foremost, we apologize for the funding lapse that I can't imagine what that sent shockwaves through the community. The Biden Administration failed to communicate with one another internally, and certainly with our members of Congress. That's something that we take very personal. I, just like them, woke up at sunrise and I found out that, before sunrise, I'd already lost 10 Georgians under my watch. I know the impact that this storm has had, and I can say that we have made every step through this process as customer-focused and as disaster survivor-friendly as we can make it. Some of the heartburn that has been laid out today is the heartburn I brought with me, because I, too, saw these challenges in Georgia. I had to answer the phone to the businessmen and women, and survivors there trying to explain why their government, that they pay their taxes to, didn't have enough money to fund their need. So, I understand that. My heart hurt, I was frustrated and when given the opportunity, I thought, if you can't beat them, let's join them. I look forward to the opportunity to come in under the leadership of Administrator Kelly Loeffler, who brings a wealth of knowledge in business who says, "Chris, we need to turn this back into what it should be, about the survivor." And so, we leaned in heavy. And so, I just first want to apologize for our lapse. We made the promise that we're here to do everything we can to learn from our mistakes and embrace them so that we can build a better future for everyone else who experience similar situations.

Senator BUDD. Thank you very much, Mr. Stallings. I remember those early days and the North Georgia coverage. It was our own Franklin Graham from Samaritan's Purse and former President, soon to be President again, Trump, and now Administrator Loeffler. Perhaps you were at that site, but I appreciate your work there. We have to remember, while the lion's share was Western North Carolina, Georgia was tremendously impacted as well. So, thank you for your work there. Specifically, I want to follow up on Mr. O'Leary's testimony that appears to have heard more recently. I understand that you inherited a backlog from the prior administration. So, what have you done to address the backlog?

Mr. STALLINGS. So, I think the first thing that was mentioned was the separation of the disaster loan program from the Disaster Recovery and Resilience branch. The first thing that Administrator Loeffler has done is through our reorganization once complete, she's bringing that back together. That gives us the opportunity to work that process completely from beginning to end. When talking with our team, one of the first things I talked about and learned from our team was that those customer service reps that sat in those disaster recovery centers that talked hand in hand with those

survivors, had the ability to get that person to the submit button. But once that application was submitted, they lost the ability to have some of those back-office conversations and see where that loan process was. Under the previous administration, there was a focus on speed. Now, in my biography, if you read a little further back, I was a state trooper, and when I stood on the firing line, I couldn't miss fast enough. I needed to be accurate with every round that left my revolver or my firearm. What I would say is the previous administration focused on speed, but not accuracy. So, why did someone experience maybe five loan officers? Well, the faster I could get it off my desk, I met a metric. I'm a human; I want to be treated as such. I'm bringing back through the leadership of Administrator Loeffler and under the direction of our President, a human element to the process; picking up the phone, talking one-on-one. I grew up in the foothills of the Blue Ridge Mountains. I understand and speak Appalachian. You don't have to worry if they like you or they hate you. Give them three seconds and read their face, you'll know. I think that is important in the process. How would you want your loan treated when you call me? And I think that's the effort you deserve. So, one of the things we're bringing back is picking up the phone and bringing the human element. Yes, technology's great. It is wonderful to be approved in 15 minutes, but it is an awful experience to be denied in 15 minutes and have to wait weeks on a letter that tells you why. And it could be as simple as mentioned in one of the applications, a mis-stroke of the keyboard. I have a grandmother. I'm very fortunate, I have all of my grandparents. I would never ask them to sit down on a computer and fill out an application they're not comfortable with. Part of that human element is still keeping that pen-and-paper mentality, walking someone through that process slowly. I think that's so important, something that this administration is committed to doing; bringing the human element back to the process, because we're dealing with folks who didn't ask to be there. I promise you, if we had went back on the 26th of September, and took a poll and said, "Who's willing to have their home or business destroyed by generational flooding?", that not a single hand went up. We have to keep that in our mind as we go through the process.

Senator BUDD. Thank you. This may be a continuation of that prior answer, but under your leadership, the Office of Disaster Response & Recovery has been hard at work undoing a lot of the mistakes from the prior Biden Administration. So, could you talk about some of the changes you've made, and how it's going to better serve disaster victims?

Mr. STALLINGS. Yes, sir. Focusing on the individual, not a metric. Not a, "Did I do well enough to get my performance evaluation checked off because I approved or disapproved so many loans." Also, the ability for our team to just sit down and look at where we're good. You know, it's really easy to stand here, and thump our chest, and talk about the areas that we're good at. Everybody enjoys that. But it is taking a moment to look and see our areas that we're not good and we need some improvement. Our customer service needed improvement. One mandate that I've required is, once the reorganization is complete, every individual in my agency, that falls under our disaster program, if you've never been deployed to

a disaster scene, you have to go to one. And why is that important? I thought I was an emergency manager in Georgia until I stood in a disaster scene and saw the tear streaks through muddy faces, and I saw children picking up their toys out of the mud in the yard, and I saw families broken. And until someone experiences that, unfortunately, you don't really have compassion and understanding for what a person is going through. So, first mandate was we're putting every single individual in the field. You've got to go stay, you've got to go work those disaster recovery centers, before you go back, you'll be truly sympathetic then to that disaster loan. The second part is within our statutes. My focus is not speed of approval or denial, it is make the effort to get to yes. That is our motto. What is our effort—get to yes. If we can get to “yes” legally through our statutes, there's no reason why we shouldn't. These are tax dollars paid by taxpayers, and they deserve the right to have access to the resources that the federal government has promised that we would bring.

Senator BUDD. Thank you. So, for everyone here lucky enough not to be steeped in SBA disaster loan funding and how the federal government estimates funding requirements, the subsidy rate helps Congress understand how much money the SBA needs to fund its disaster program each and every year. In 2022, the subsidy rate was 8.96 percent. By 2025, the subsidy rate more than doubled to 22.22 percent. A higher rate means the program costs more, and the SBA should work with Congress to ensure the program won't run out of money during a disaster. So, Mr. Stallings, how does a higher subsidy rate impact the number of loans you can make and disaster survivors that you can assist?

Mr. STALLINGS. In easy language that even a guy who grew up in Fannin County, Georgia, can understand; the higher the rate, the less dollars I have. And so your \$100,000,000 that you give me just doesn't go as far as it did. So, the more we can work together to get that subsidy rate down the better chance we can to reach more folks. It also prevents that funding lapse that fell under the previous administration.

Senator BUDD. So, would you agree, Mr. Stallings, that this higher subsidy rate likely limited the number of loans that SBA was able to make following Hurricane Helene?

Mr. STALLINGS. I would, sir.

Senator BUDD. Earlier this year, I introduced S. 300, the Disaster Loan Accountability and Reform Act, or DLARA, for short. The bill looks to make statutory changes to increase oversight, ensure that a funding shortfall like this never happens again. Mr. Stallings, I'm pleased that some of the provisions in this bill, such as the monthly disaster report, have already been addressed by the Trump Administration. Can you explain what changes have been made to disaster report and the importance of Congressional reporting?

Mr. STALLINGS. Yes, sir. So, per the Small Business Disaster Response and Loan Improvement Act of 2008, there should have been monthly reporting already occurring. We came in, looked at the report, and the report was difficult, at best, to understand. We revitalized the report, we changed it, we made it much easier to digest. We made it easier to look at and regurgitate. I can give you the

information on it, and it is easy to recall. It's not just spreadsheet after spreadsheet of trying to hide a mistake. By that, we've also made a promise that it will come to Congress every month as it should. We've been faithful to that promise already, and we've got positive feedback on the changes that we've made. I think it was extremely important, as someone that has worked with the federal government, the transparency of it, showing where we stood. You know, just give me my odds. I'll fight from there. Tell me what I have, and what I don't have. I don't like the word "maybe". And this report that we're doing takes away the maybes. I think it gives us a lot of "yes" and "no". And so, the report itself was important. It also, in your bill that you mentioned, sir, you talk about us bringing the program back together. That was a Day 1 priority. Once confirmed, Administrator Loeffler said we've got to bring that back together. It just doesn't make sense to have it torn apart. So, bringing back that disaster loan apparatus together, I think, is extremely important as well.

Senator BUDD. Thanks. The SBA ran out of funding on October 16th, beginning a 66-day shortfall, which we discussed earlier. And that lasted until December 21st. And this shortfall ended only after Congress passed a supplemental appropriation, which provided the SBA with an additional \$2,300,000,000. DLARA would require the SBA to submit a statement as part of its annual budget, detailing the 10-year average cost of providing disaster loans and administering the program. Do you think incorporating the funding of SBA's disaster loan program in the regular appropriations process could have helped avoid a similar shortfall in the future, or lessen the need for supplemental appropriations?

Mr. STALLINGS. I think transparency between our agency and Congress is extremely important, whether it's with a monthly report or the annual budget. I think the fact is, that we need to maintain an open line of communication. We certainly enjoy our work with the Small Business Committee, both the Senate and in the House, and we promise to remain transparent. As long as Administrator Loeffler is in her seat and I'm in mine, we promise to make that relationship work.

Senator BUDD. So, I wish you were in your role five months earlier, but one of the most concerning problems with the shortfall is SBA failed to find the solutions in the moment. SBA wasn't able to stretch the limited funding they still had, to ensure that some people got even a little bit of money while SBA waited for the full amount to be approved by Congress. Having this flexibility during disasters was an important lesson learned, and my bill will provide the flexibility to the SBA Administrator to lower SBA's loan obligations to the statutory unsecured loan limit of \$14,000 when the disaster subsidy account falls to under 10 percent. More simply, this fix will allow the Administrator to ensure more people can at least get a first portion of their loan so they can start rebuilding, rather than making thousands of borrowers wait on the federal government. Mr. Stallings, how will this flexibility increase the number of constituents who could receive the funding?

Mr. STALLINGS. Well, first I have to brag on my Administrator. I don't think President Trump could have made a better selection by naming Administrator Loeffler to her seat. She comes with a

business background, so she understands how to make dollars and cents work. She understands that flexibility is key. And if that bill is passed, I believe that—I don't believe—I know that our agency will be able to work with you, and your team, and the whole committee to ensure that that flexibility allows us to be nimble. I think that most lessons that I ever learned in my emergency management background was, give me a little of something—that beats all of nothing. And so, if I can take a little of something and be flexible, it can get me down the road a little further.

Senator BUDD. That's helpful. Thank you. Another challenge is the whole-of-government approach to disasters and ensuring proper interagency coordination. For many folks, the alphabet super agencies involved in disaster recovery, it only hurts rather than helps. Could you talk about your work alongside other federal partners to ensure the process following disaster is more coordinated and streamlined?

Mr. STALLINGS. So, I take great pride in communication, talking with those agencies. It did not fall on deaf ears the aggravation of the application—multiple agencies, multiple applications. We have made it a priority to express our desire to see one application. And I believe that is a future that needs to be funded and found quickly in the federal government, is that there's one place that an individual can go. Business, homeowner, renter, private, nonprofit, enter in their information, and then those in federal family should be able to pull what information they need that's applicable to their program. So, I'm a big advocate of that. I believe simplifying it. The disaster portfolio, whether it's grant or loan, is different than the 7(a), or the 504, or any other operation that you would get from SBA. Why is that? It's the mindset in which someone is applying. We have to take into consideration the mindset of the applicant. What they've just experienced, what they've just faced, and keeping it simple for them is a huge step in the process. So, sir, I'm a big advocate of bringing those partners together. I've met with USDA, I've met with FEMA, we've met with HUD, we've met with all the federal family that would show up, and say; how can we better do this? And I think the first step is that one application process.

Senator BUDD. You talked a lot about agencies, particularly SBA, and how to improve. What would you recommend to Congress on how to improve the process on our side, and how to better serve taxpayers?

Mr. STALLINGS. I think more flexibility on the ground when our team shows up. We are now making some changes to how we operate internally. As you mentioned earlier, and I believe in Panel 1, the response is very important. But we're not a response agency. We're a recovery agency, unfortunately. I spent a long time with blue lights and sirens on a vehicle, and when I hear them, my heart starts beating fast now. But it's difficult to know that my role sometimes is not to be there in the immediate. And so, we are leaning forward in other ways. We're starting to put our regional recovery coordinators inside state operation centers where we can—so that we could start talking then and whispering, "Hey, don't forget us. Let's go ahead and start doing this. Let's think about that." The value of blue-sky conversations. You talked about earlier the role of the government. Well, I think part of our response is knowing

what tool to reach in the toolbox. You know, if the old adage, "If the only tool you have is a hammer, everything is a nail." Well, if we can show someone else another tool, having some more blue-sky day conversations. So, we've made a lot of strides. President Trump's intergovernmental affairs team has really given us an opportunity at SBA. They've set up a lot of phone calls on our behalf so we can start talking to governors and governor staff. Myself, and Administrator Loeffler have traveled a lot talking to these teams. So, that going into a storm, you know, we're there, you thought about us in advance, you're understanding the programs that we do offer so that when it does go bad, unfortunately, you know you've got a friend in us that you can call. That SBA has a myriad of programs that we can bring to the table, and that you're not trying to scramble for solutions. There's a solution you met months ago called SBA, and we just want to be there to help.

Senator BUDD. Great. Thank you, Mr. Stallings. I have no further questions, and that concludes this panel. I want to thank our witnesses on both panels for being with us today. I ask unanimous consent that the record of today's hearing to remain open for two weeks for members to submit questions, revise and extend their remarks, and submit additional information for the record.

Without objection, so ordered. With that, the Committee on Small Business and Entrepreneurship stands adjourned. Thank you.

[Whereupon, at 3:15 p.m., the hearing was adjourned.]

**Senate Committee on Small Business and Entrepreneurship Hearing
September 22, 2025
Follow-Up Questions for the Record**

Questions for Commissioner McCall

Question from:

Ranking Member Markey

QUESTION 1:

Do you support Governor Stein's request for forgivable loans to small businesses?

Answer: I support this request with limitations. The applicant must have been affected by a natural disaster such as Hurricane Helene and the impact must be of a specified minimum monetary value. Also, the applicant must have been denied assistance from insurance and/or FEMA. In other words, there should be restrictions to qualify. I have been a small business owner and understand the devastation of losing a business due to change in economy (2009); but to lose a business or months of income due to a natural disaster is much worse.

**Senate Committee on Small Business and Entrepreneurship Hearing
September 22, 2025
Follow-Up Questions for the Record**

Questions for Mayor O’Leary

Question from:

Ranking Member Markey

QUESTION 1:

Do you support Governor Stein’s request for forgivable loans to small businesses?

RESPONSE:

Yes, small businesses suffer greatly in natural disasters and it is very challenging and exhausting to rebuild and restart a small business in the aftermath.

**BOONE AREA CHAMBER OF COMMERCE**

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October 12, 2025

Senator Edward J. Markey, Ranking Member
 United States Senate
 Committee on Small Business & Entrepreneurship
 Washington, DC 20510-6350

Dear Ranking Member Markey:

Thank you for your review of the field hearing titled *SBA's Hurricane Helene Response: One Year Later*.
 Below is my answer to your question:

Question from:

Ranking Member Markey

QUESTION 1:

Do you support Governor Stein's request for forgivable loans to small businesses?

ANSWER:

Yes, I am in strong support of Governor Stein's request for forgivable loans to small businesses. The inclusion of \$400 million for SBA to distribute forgivable loans to small businesses to assist revenue recovery addresses a key need we have been hearing consistently across the region for months.

While many small businesses have reopened and are serving customers today, it is hard to see from the outside the razor-thin margin for error these businesses are operating under one year later. Many tourism-forward businesses in our region report as much as 30-40% of their revenue for the year comes during the month of October. The revenue lost from the 4th quarter of 2024, combined with the delays in disbursements from insurance claims (if available) and an extended pause in the availability of SBA loan funds at a critical time, meant many businesses have depleted any savings they had to stay open. They have yet to rebuild that critical cushion, and while the 4th quarter can be profitable, it's also a very weather dependent time on our economic calendar. Having savings to supplement revenue is an essential part of the business model across all industries within our region.

I feel forgivable loans give small businesses an opportunity to earn that cushion through performance. These dollars can provide much needed consistency in operating funds, providing further confidence toward hiring staff, finishing repairs, and ordering inventory. It should not be a surprise that the current state of the economy leaves businesses wondering which of the aforementioned tasks they can reasonably handle, while not exposing their business to deeper instability. We did not have the strong summer we were hoping for here in the High Country, which can be attributed to a variety of factors including Helene hangover, inflation, a pullback of travel and discretionary spending, tariff impacts, among other influences. Forgivable loans and grants would

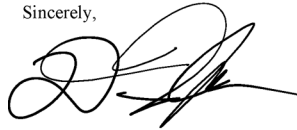
provide a helpful cash infusion as the holidays approach, while also alleviating the notion that the assistance they receive today is becoming the burden of tomorrow.

To provide additional context, the Boone Area Chamber of Commerce is in the process of deploying funds as part of our 4th round of *Hope for the High Country Business Resiliency Disaster Grant* program. We had 94 applications from small businesses across Ashe, Avery, and Watauga counties. We will distribute \$307,500 across 63 grantees, with revenue recovery serving as the primary focus. Among those businesses selected, we prioritized those that were impacted by decreased visitor traffic over the last three quarters, those finishing repairs, and others dealing with reopening costs. The 31 applications we could not fund are very much in need of support, but we simply did not have the money available to help everyone in an impactful manner. To date, we have funded nearly 270 total grants totaling nearly \$1.4 million in direct payments to small businesses over four funding rounds. When we hand-deliver a grant check to a small business, the emotions of the moment can be quite overwhelming as you look into the eyes of someone who is truly thankful for the chance to continue their dream of business ownership. They are eager to get the money to work to help solidify their business, keep people employed, and serve their community.

In closing, we have been in direct contact with well over 500 small businesses through our grant program. Not one of those businesses has come to us looking for a handout. They are humbled by the circumstances of the moment and are quick to point out how they intend to help others as their situation improves. Many of these businesses are the heartbeat of their respective rural communities. Their storefronts double as community centers and hubs for other critical resources. The small businesses impacted by Helene in our region are no different than those impacted by the fires in Maui, or tornadoes in the Midwest. None of them asked to be disrupted by an Act of God. All they are hoping for is reasonable assistance in getting back to doing what they do for their communities. I feel the funds that Governor Stein is advocating for on behalf of North Carolinians could be a key tool to consider as part of the SBA's future disaster response.

Please let me know if I can be of any additional help to the committee as you all continue the important work of learning from this disaster. We are grateful for the support provided by Chair Ernst, Senator Budd, and yourself, and for the attentive work of each of your staffs, as we continue our recovery efforts.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Jackson', with a stylized flourish at the end.

David Jackson
President/CEO
Boone Area Chamber of Commerce

Senate Committee on Small Business and Entrepreneurship Hearing

September 22, 2025

Follow-Up Questions for the Record

Questions for Mr. Chris Stallings

Questions from:

Ranking Member Markey

Mr. O'Leary, a business owner from Chimney Rock, testified that he was handed off to six different loan officers since the start of the year.

QUESTION 1:

Were any of the SBA staff or contractors assigned to and subsequently removed from Mr. O'Leary's case among the disaster loan specialists released, furloughed, or terminated since Administrator Loeffler took over at SBA?

Answer: The department regularly shifts staff as part of normal non-peak disaster downsizing and other demand trends. The loan in question was reassigned to a disbursements case manager in May of 2025, and that case manager is still a part of the active staff.

QUESTION 2:

How many people were laid off from the SBA's Office of Disaster Processing Center within the Office of Capital Access since January 20th?

Answer: Employees took voluntary resignations. Since January 20, 663 term-limited appointments expired and 371 positions were moved from pay to non-pay status.

QUESTION 3:

How many staff in the Office of Capital Access work on processing and servicing disaster loans?

Answer: As of October 4, 2025, 2,964 staff in the Office of Capital Access work on processing and servicing disaster loans.

QUESTION 4:

How many staff are currently in the Disaster Cadre?

Answer: The Disaster Cadre ended in 2019. Currently, the SBA disaster enterprise has 4,304 staff.

QUESTION 5:

How much funding is currently available to fund loans for disaster victims?

Answer: As of December 2025, SBA has \$2,312,103,584 in funding to support disaster victims.

QUESTION 6:

When does SBA anticipate it will run out of money to fund loans? Please specify an approximate date.

Answer: Historical data shows the disaster loan program has sufficient funding through to **nearly the end of 2026** based on historical net approval data, without any additional major spikes in disaster activity.

