

# First SBA checks issued to KAs

## Approval rating predicted at 75 percent

By Dexter H. Kim  
Korea Times

Six weeks after the fury of arson and looting, Korean American victims are beginning to receive their first disaster loan checks from the federal Small Business Administration.

On May 28, Doo Jin Kim, Jin Su Ohm, Ho Song Kim and Ki Jik Kim became the first four KA merchants given checks from the SBA.

Since then, at least 30 other KAs have received their loan approval from the SBA, according to Steven Y.C. Kang, an accountant who has been working with the Korean American CPA Society and Radio Korea to help merchants apply for disaster loans.

Kang estimates the approval rating of KA applicants for disaster loans at about 75 percent—the overall average in disaster loan cases.

The SBA is hoping to approve at least 80 percent of the loan applications

they receive, said Robert Belloni, director of the SBA Disaster Area Office, in an interview with Korean Television Enterprises on May 28.

Overall, the SBA has authorized 129 disaster loans for \$7.8 million thus far—or about 79 percent of those who have applied, according to Diane Brady, public information officer at the SBA field office in Pasadena. Because the disaster office does not ask for ethnicity on its loan applications, Brady was unable to provide a figure of how many Korean Americans have so far applied for a loan.

Although the SBA has handed out 13,000 applications, Brady said only 1,200 have been filed. She blamed the slow response on the hesitation of loan applicants who are waiting until just before the July 15 deadline to file their requests.

To those who are postponing the paperwork for their loan applications, Brady emphasized that the sooner they submit their requests, the quicker they would receive a response.

One reason for the applicant hesitancy might be the difficulty involved with filling out the application itself. For first-generation Korean Americans with relatively few English skills, the SBA's

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lengthy and comprehensive application process could be a daunting and confusing task.

Kang urges non-English-speaking Koreans to contact a Korean CPA or RJ Miranda, the CPA firm contracted through the U.S. Department of Commerce to provide free assistance to loan applicants in English, Korean and other languages.

Roy Hong, who works with Korean Immigrant Workers Advocates, said there is not enough awareness of these free services and many Korean Americans, who have already been financially devastated by the riots, are unwilling to hand over another \$500 for CPA fees.

Hong said that immediately after the riots, there was a battery of accountants and CPAs willing to provide free financial assistance for victims. Now, said Hong, "those accountants have disappeared. There needs to be some more Good Samaritans out there who are willing to help people in need."

For Man Suk Sin, however, the application process was neither arduous nor confusing. Sin, who lost her liquor store in Compton to fire and looting and is asking the SBA for a \$520,000 loan said, "It was not difficult. My loan officer take care of everything. They do pretty good."

Sin's brother, Ki Chik Kim, applied for a \$9,200 loan on May 11. A little over two weeks later on May 28, he was handed a check for \$9,700 by an SBA official—the \$500 tacked on for CPA fees—and became one of the first four Korean Americans to receive a check from the SBA.

In addition, Kang speculated, some Korean Americans may be hesitant to apply for loans because of false or questionable income tax returns filed in the past. Because the SBA's determination for disaster loans is based on past tax returns, those with bookkeepers or financial advisers who have operated in the gray areas of tax laws might be reluctant to submit their returns for inspection. Kang, however, said individuals who have only been "aggressive with their tax returns shouldn't worry."

"Use whatever was filed to the IRS," recommended Kang. "The SBA is stressing the projection of the business, meaning whether the business will be able to pay back the loan, and most businesses will be able to."

Hong adds that there needs to be broader understanding of why some Korean American merchants underreported their earnings to the IRS.

"You have to understand the economic situation in which these small businesses were running their business," said Hong. "The only way they could sustain their business was limiting the amount of income they were reporting."

Ho Sung Kim, the owner of Lander Laundry on South Western Avenue, applied for a \$60,000 disaster loan with the SBA one week after looters and vandals at his laundromat destroyed \$110,000 worth of equipment and supplies.

Kim—one of the first check recipients—received a disaster loan approval of \$57,000 from the SBA at 4 percent interest. The SBA, said Kim, has actually responded quicker than his insurance company, which has yet to reply to his claim.

Although business has been poor since he reopened two weeks ago, Kim said he expects business will pick up in the coming months. When pressed on what made him come to such a conclusion, Kim, who has two boys, ages 3 and 1, conceded he was actually hoping rather than expecting.