

Small Loan Delinquencies Cause Concern

Due to delinquent payments, the Small Business Administration loans being made to Native people to start small businesses may be discontinued in the near future.

This disturbing possibility was made jointly by Al Fothergill, director of the Office of Economic Opportunity for the State, Juneau, and Dale Sanner, State Supervisor for Alaska for the Farmers Home Administration, the agency that is handling the SBA loans.

“Dale Sanner just called that he was having difficulty getting payments from the Native people who got SBA loans,” said Fothergill. “If

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this situation persists, the loans might be cut off in the future."

"These people needed this program as they had no way to obtain loans in the past," Dale Sanner stated. "If they don't do better than this, it will be hard for the rest of the people to obtain loans and these loans will have to be stopped if something isn't done soon."

Sanner said that 70 loans had reached maturity and he was receiving payments from only 15 of them. Most of the loans were made to fishermen from Unalakleet, Kotzebue, Shaktoolik and from Nenana and Minto.

He said the loans were made before the summer fishing season and the recipients should have made payments during and when the season was over.

"I don't know what these people think. Maybe they think the money was a grant," Sanner continued. "This program is the best they can obtain at only 4-1/8 per cent interest for as long as 15 years. If they could make only a token payment now it would help. My experience so far with these people hasn't been too good."

Over 200 small business loans have been issued. Many of these have been made to trappers and the payments from the loan recipients are scheduled when the trapping season is over and the men make their fur sales.

Sanner is planning to travel to villages and contact some people and try to generate interest in paying back the loans. He stressed that those who are now delinquent will certainly hurt those people who might want to apply for loans in the future.

"I wish someone would tell me the answer. These people have a responsibility and if they don't meet this, they may not have another opportunity like this if they don't meet these requirements," Sanner concluded.