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open Dirty Frank's Hot Dog Palace on the West Side had begun.

Oct. 04, 2013

The equipment has been ordered, and the hiring of 35 workers to staff the soon-to-open Dirty Frank's Hot Dog Palace on the West Side of Columbus, Ohio, had begun.

A key thing left to do was to close on the government-backed Small Business Administration loan needed to pay for the custom-made equipment used to operate the restaurant. Closing of the loan was expected two weeks ago.

But the 's shutdown of the federal government has put the closing of the \$75,000 loan on hold, along with the opening of the restaurant at 2836 W. Broad St. The workers who had been hired are in limbo, owner Elizabeth Lessner said.

"It's very scary," said Lessner, owner of six restaurants that are part of the Columbus Food League. "We already ordered our equipment and expected a loan."

Lessner said she can't open the restaurant without the loan. Other borrowers of various stripes are in the same situation.

Besides delaying the opening of Lessner's latest dining spot and affecting other small-business borrowers, the shutdown also has affected some home buyers and other borrowers relying on federally backed loan programs.

Otherwise, the overall damage to the economy from the shutdown should be minimal, say banking executives, housing experts and economists. That's assuming, of course, that the shutdown, now in its second week, won't last long.

"A few days here or there is not likely to cause much stress to the process," said Craig Street, director of SBA lending for Huntington Bancshares, Ohio's top SBA lender.

“We’re expecting the impact will be pretty minimal,” said Mekael Teshome, an

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then it’s a problem, but until then, it’s not.”

Teshome said that despite the annoyance, those affected by the shutdown ultimately figure to get their loan, and furloughed workers eventually will be paid.

“Some people will miss payments,” he said. “We’re not talking two, three or four months of not making payments.”

Although SBA loans can’t be approved, Huntington continues to process applications during the shutdown, Street said.

Huntington tried to accelerate SBA loans through the pipeline in anticipation of the shutdown, Street said. “For the majority of our pipeline, we were able to do it,” he said.

What’s unfortunate is that the SBA was starting a program to eliminate all fees for loans of less than \$150,000. That could reduce the loan costs by about 1 percentage point, a savings of \$1,500 on a \$150,000 loan, Street said.

On the mortgage side, Fannie Mae and Freddie Mac, which back most conventional U.S. mortgages, continue to operate. The shutdown has, however, blocked lender access to two documents they need to close loans: tax-return transcripts and Social Security verifications.

But loans can continue to be processed during the wait for those documents, Lichtenstein said.

What isn’t operating, for the most part, is the Internal Revenue Service. This means that taxpayers who filed extensions and are awaiting refunds could see those payments delayed.

“Quite frankly, it’s going to create — if it already hasn’t — frustration for our clients

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