

MS. LANDRIEU: Mr. /Madame President, our nation's small businesses have created 64 percent of all new jobs in the last fifteen years, yet in the last year nearly 85 percent of the jobs lost have come from small businesses. To reverse this job loss trend and allow small businesses to be the engine of economic growth once again, we must make sure they have the access to capital they need to be successful and help grow our economy.

That is exactly why I, along with the Ranking Member of the Small Business Committee, Olympia Snowe of Maine, am introducing the "Small Business Job Creation and Access to Capital Act of 2009." This bipartisan legislation is a result of five hearings and roundtables in the Small Business Committee this year as well as numerous meetings with small business owners. It builds off of S. 1832, the "Small Business Access to Capital Act of 2009," and S. 1615, the "Next Step for Main Street Credit Availability Act of 2009," legislation Senator Snowe and I have previously introduced.

This legislation enhances the ability of the SBA to support larger loans and provide more options to small businesses. As many other sources of capital have evaporated, loans guaranteed by the Small Business Administration (SBA), with support of funding through the Recovery Act, have been able to support \$16.5 billion in loans to small businesses. Specifically, this act would:

- Increase the loan limit on 7(a) loans from \$2 million to \$5 million;
- Increase the loan limit on 504 loans from \$1.5 million to \$5.5 million;
- Increase the loan limit on microloans from \$35,000 to \$50,000, as well as increase the loan limit to microloan intermediaries from \$3.5 million to \$5 million;
- Allow the 504 loan program to refinance short-term commercial real estate debt into long-term, fixed rate loans;
- Extend the authorization to provide 90 percent guarantees on 7(a) loans and fee elimination for borrowers on 7(a) and 504 loans through December 31, 2010; and
- Direct the SBA to create a website where small businesses can identify lenders in their communities.

These provisions will have an immediate impact on increasing the availability of credit for small businesses and spurring job growth, with many of these provisions coming at little or no cost to the government. For example, the SBA estimates that the loan limit increases will be budget neutral, but will increase SBA lending by \$5 billion next year alone. The refinancing provisions could help save 60,000 jobs next year by allowing small businesses to refinance short-term commercial real estate debt into long-term fixed rate mortgages. To ensure that this program is budget neutral we have included a provision that would require any additional cost created by the program to be funded by the fees of the participants. Additionally, we have placed a number of safeguards on this program, such as requiring that the refinanced loan be current for at least one year, that the business owner invest a minimum of 20 percent equity and that the availability of funds be capped at \$65,000 for every job retained.

The extension of the 90 percent guarantees on 7(a) loan and the fee elimination for borrowers on traditional 504 and 7(a) loans extends critical provisions in the Recovery Act. This legislation does not include the appropriations for this funding, but does provide an extension of its authorization should appropriations be made available. It is estimated that if an additional \$479

million were to be appropriated for these programs, the SBA would be able to support \$18.5 billion in lending to small businesses. Alternately, we are starting to see the impact of this funding not being available. In the first full week of lending since the SBA had to create a waiting list for the final Recovery Act funding, 7(a) loan volume fell from \$985 million in the last week of the full funding being available, to \$71 million. This \$71 million in loan volume is lower than the average weekly volume we were experiencing before the Recovery Act was approved. We also know that as of today there are more than 700 small businesses in the SBA waiting list approved for \$350 million in loans if we made more funding available.

It is clear that now is the time to act. Our nation's small businesses need access to capital and this bill helps facilitate this crucial need.