

Congresswoman Louise M. Slaughter (D-NY-28), Chairwoman of the House Committee on Rules, said that new legislation will support increased bank lending to small businesses each year. Slaughter, who moved the legislation to the House floor today, said the bill will help save or create 1.3 million jobs nationally each year with a direct benefit on the Western New York economy.

“The small businesses in our communities are the lifeblood of our economy and we need to do all we can to make sure they have access to loans and technical assistance programs to help them through this difficult time,” Slaughter said. “Our bill will help small firms buy new equipment and inventory, while creating new opportunities for businesses to spend dollars that go directly into the local economy.”

The Small Business Financing and Investment Act will extend critical Recovery Act provisions in part by eliminating fees on Small Business Administration loans and guaranteeing up to 90 percent of loans provided through SBA’s primary loan program for start-up and existing small businesses.

Nearly 1,000 jobs in the Buffalo and Rochester area have been created through incentives created in the stimulus package according to the Buffalo District Office of the Small Business Association. The district’s lending activities assisted nearly 578 separate businesses that support almost 6,700 jobs in Western New York.

Nationally, 99.7% of all employer firms are considered small businesses employing just over half of all private sector employees. They make up 44 percent of the total U.S. private payroll.

The legislation will increase loan sizes to better meet businesses’ needs. It also includes incentives to encourage local banks to lend to small businesses and reduces bureaucratic red tape, making it easier for entrepreneurs to secure credit. The bill creates a new public/private partnership to expand investments in small business startups – an important source of job creation.

To foster a diverse mix of businesses, this legislation also takes steps to promote veteran-owned, women-owned and rural small businesses. The Small Business Administration in Western New York has approved loans to 146 women-owned businesses for over \$14.9 million and 62 loans to veteran-owned businesses, for a total of \$ 6.1 million. They highlight a

6.8 percent increase from last year.

In 2008, New York was home to 1.9 million small businesses – that is they had less than 500 employees.