

[Commentary: With small businesses still struggling, president offers plan to give them a boost](#)

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Recently, I went to Pizzeria Paradiso and had the chance to talk to Ruth Gresser, the chef who owns the two locations of this small business here in Washington. She talked about how -- in the midst of the credit freeze in late 2008 -- a loan from a bank that worked with the U.S. Small Business Administration helped her move her P Street location to a larger space to meet increased demand from her long lines of customers.

In 2009, President Obama and Congress knew that SBA loans needed to keep flowing to businesses like Gresser's. That's why the Recovery Act contained two key enhancements to the SBA's top loan programs: waived fees for borrowers and an increased government backing (up to 90 percent) to help banks that were reluctant to lend.

As a result, over the past 16 months, more than 100 small businesses in the District have received SBA recovery loans. In addition, small businesses in Maryland and Virginia have received about 1,000 loans each. Nationwide, SBA recovery loans have helped support almost \$30 billion in lending, nearly doubling the agency's weekly loan volume compared with the weeks before the Recovery Act passed.

Despite this turnaround in SBA lending, many small businesses are still having trouble finding access to the capital they need to grow, create jobs and lead America into full economic recovery.

That's why the president has laid out a jobs plan targeting small businesses.

First, the plan includes an extension of the recovery loan enhancements, which recently ran out of funding. These loans remain a critical lifeline for entrepreneurs and small-business owners, many of whom are seeing revenues begin to increase and who are looking to buy new buildings or equipment that will put people back to work. In addition, the plan calls for enhancing and expanding other SBA programs, such as increasing the maximum SBA loan sizes in its top two programs from \$2 million to \$5 million.

The president has also asked for a Small Business Lending Fund that would provide low-interest capital to smaller banks. These "Main Street" banks provide a disproportionately large share of small-business lending. The fund will loan them the capital they need, and -- if they lend to small businesses more than they did in 2009 -- the interest rate on their loan could be as low as 1 percent.

Importantly, this new jobs bill for small business would build on the steps the president has already taken this year to support small business in areas such as tax relief. For example, the HIRE Act gives small businesses a tax credit for hiring people who've been out of work at least two months. Another example is the Affordable Care Act, which provides millions of small

employers with tax credits starting this year if they begin or continue health insurance coverage for their employees.

This administration will continue to work with Congress, lenders and others to take the necessary steps to break down barriers and open new doors for entrepreneurs and small-business owners, including those in the Washington region.

If we build on what has worked and invest taxpayer dollars wisely, we can continue to help America's entrepreneurs -- like Ruth Gresser - continue to lead the way to more good-paying jobs and a stronger local and national economy.

Karen Mills is administrator of the U.S. Small Business Administration.