



NEWS RELEASE

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SBA ADMINISTRATOR ALVAREZ COMMENDS AGREEMENT ON NEW MARKETS LEGISLATION

WASHINGTON- The head of the U.S. Small Business Administration (SBA), Aida Alvarez, today expressed her congratulations and appreciation to President Bill Clinton and Speaker of the U.S. House of Representatives Dennis Hastert as they announced bipartisan agreement between the Administration and the House on New Markets legislation. Administrator Alvarez also expressed her thanks to House Small Business Committee Chairman James Talent and Congresswoman Nydia Velazquez, the committee's ranking Democrat, for their efforts in winning agreement on the legislation.

"This is a visionary approach to economic development," said Administrator Alvarez. **"By opening the tap to unprecedented private sector investment in our inner cities, rural localities and Native American reservations, we are, at long last, giving the citizens and businesses in these areas an opportunity for full partnership in our nation's economic prosperity."**

The Administrator noted that the New Markets Venture Capital (NMVC) program contained in the legislation is modeled after the SBA's extremely successful Small Business Investment Companies. An NMVC company is a privately managed investment firm formed to provide long-term equity investment in small businesses located in distressed rural and urban areas. The NMVCs will also offer technical and management assistance to the small business borrower.

"The strength of these venture capital companies, which are private-sector, for-profit organizations approved by SBA, is that they invest in small businesses located in designated low and moderate income areas," said Administrator Alvarez. **"Instead of basing investment decisions solely on high growth potential and return on investment, their focus is also on the economic future of the community."**

"SBA will help New Markets Venture Capital companies leverage their financial resources to make investment capital available to as many qualified small businesses as possible," the Administrator continued. **"We are proud to have a key role in this Administration's uncompromising commitment to create economic opportunity for every American, no matter where they live."**

For more information on all of SBA's programs for small businesses, call the SBA Answer Desk at 1 800 U ASK SBA, or visit the SBA's extensive Web site at www.sba.gov.