



# NEWS RELEASE

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## ***SBA OUTLINES VISION TO BRIDGE THE CREDIT GAP FOR RURAL SMALL BUSINESSES***

**WASHINGTON** - Small business financing and development programs offered by the U.S. Small Business Administration (SBA) must be a key component in solving the opportunity gap that has kept rural American communities from participating fully in the nation's booming economy, SBA announced today.

In a conference organized by the Appalachian Regional Commission in Batavia, Ohio, to address rural economic opportunity concerns, Administrator Alvarez told conferees that SBA programs can make a crucial difference.

**"I am proud to share the Clinton-Gore Administration's vision of bringing opportunity to communities that haven't experienced this prosperity before,"** SBA Administrator Aida Alvarez said. **"SBA has powerful tools to help create those opportunities and unleash the untapped potential of these communities."**

Last year, President Clinton and the SBA announced the New Markets Initiative, a sweeping new public/private partnership to provide tax credits, investment capital and credit, and technical assistance to businesses in economically distressed rural and inner city areas.

One important element of the New Markets Initiative that will help fill the gap in investment in inner cities, poor rural areas, and Native American reservations is the New Markets Venture Capital Companies (NMVCs). They will provide a combination of equity venture capital financing and technical assistance to smaller businesses located in low and moderate- income areas. The NMVC program will involve community-based development organizations whose managers have established successful records in venture capital investing in small businesses.

**"These venture capital companies (NMVC) are tailor-made for new markets. They will fill an important gap in raising capital and in providing hands-on operational assistance. In addition, they have the resources and flexibility to ensure the long-term success of their investments in small business,"** Administrator Alvarez emphasized.

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