



NEWS RELEASE

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Contact: Chancy Lyford (202) 205-6740

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SBA ANNOUNCES NEW LOAN PROGRAM TO HELP SMALL FIRMS BECOME READY FOR YEAR 2000

WASHINGTON — Aida Alvarez, the Administrator of the U.S. Small Business Administration (SBA), announced today that the SBA would soon begin a new loan program specifically designed to help small businesses prepare for problems associated with the date change from 1999 to 2000, or the Y2K bug.

“Over the past year, SBA has made a concerted effort to ensure that America’s 24 million small businesses are aware of the Y2K problem and that they take steps to become ‘Y2K OK’,” Administrator Alvarez said. **“SBA now stands ready with one more tool to help these firms meet the millennium challenge.”**

According to Alvarez, the legislation authorizes new SBA loan guaranties for two purposes. First, it will enable small businesses to purchase the systems, software, equipment, and services necessary to become Y2K compliant. Second, it will assist small firms that suffer economic injury as a result of the Y2K problem during the Year 2000.

“I want to especially recognize the job that Administrator Aida Alvarez and the Small Business Administration have done ensuring that the Nation’s small business community is ready to meet the Y2K challenge,” President Clinton said on Friday when he signed the new loan bill.

Alvarez noted that the new loan program would be ready for applications within the next 30 days. The new loan program will operate similarly to SBA’s popular 7(a) loan program.

SBA just completed a highly successful Y2K Action Week, with over 380 seminars and events across the country bringing awareness to small business owners about Y2K.

To learn more about small business and Y2K, visit SBA’s Web site at www.sba.gov/y2k or call 1-800-U-ASK-SBA.