



United States Representative **CHRISTOPHER P. CARNEY**

The 10th District of Pennsylvania

United States Representative Christopher P. Carney, The 10th District of Pennsylvania
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Small businesses are the backbone of the American economy and the engine that drives our region. It is the hard work, ingenuity and determination of our small business owners that keeps the American economy the largest and most competitive in the world, one Main Street at a time. **Small businesses employ nearly 50% of Pennsylvania's workforce and created roughly 70% of all new jobs in the past decade.** The Small Business Administration (SBA) estimated that in 2007, there were over 27.2 million small businesses operating in the United States. Given the current economic climate, we must do everything we can to support our small businesses to get our economy back on track.

The American Recovery and Reinvestment Act will have a significant impact on small businesses and the credit crunch by providing tax incentives and financing opportunities that will help small businesses create jobs.

The American Recovery and Reinvestment Act makes SBA part of the solution, providing it with specific tools to make it easier and less expensive for small businesses to get loans. It also gives lenders new incentives to make more small business loans, and helps unfreeze the secondary markets to boost liquidity in the credit markets.

The bill provides \$730 million to SBA and makes changes to the agency's lending and investment programs so that they can reach more small businesses that need help. The funding includes:

- o□□□\$375 million for temporarily eliminating fees on SBA-backed loans and raising SBA's guarantee percentage on some loans to 90 percent. The elimination of fees, announced on March 16, will remain in effect until the end of the calendar year or until the funding is exhausted. The elimination of fees is retroactive to the day the Recovery Act was signed into law.
- o□□□\$255 million for a new loan program to help small businesses meet existing debt payments.
- o□□□\$30 million for expanding SBA's Microloan program, enough to finance up to \$50 million in new lending and \$24 million in technical assistance grants to microlenders.
- o□□□\$20 million for technology systems to streamline SBA's lending and oversight

processes.

- o□□□\$15 million for expanding SBA's Surety Bond Guarantee program.
- o□□□\$25 million for staffing up to meet demands for new programs.
- o□□□\$10 million for the Office of Inspector General.

For more information about starting or growing your business and how the American Recovery and Reinvestment Act can help, please visit the US Small Business Administration website at <http://www.sba.gov/index.html>

Sincerely,

Christopher P. Carney
Member of Congress