



News Release

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Statement by Administrator Karen Mills on President Obama's Proposal to Raise SBA Loan Limits

WASHINGTON – The U.S. Small Business Administration today issued the following statement by SBA Administrator Karen Mills on today's proposal by President Barack Obama to raise the maximum loan size for SBA-backed loans to small business:

"America's 29 million small businesses have been hard hit in this recession. Nine months ago, President Obama sent small businesses a life line: the American Recovery and Reinvestment Act. Since then, the SBA has supported more than 33,000 loans for a total of almost \$13 billion in small business lending. This has helped save or create tens of thousands of jobs.

"But there is much more work to be done, which is why President Obama today pledged his support for legislation that would increase the maximum size of some SBA loans. Increasing maximum loan sizes will allow the SBA to ensure that more small business owners and entrepreneurs can get access to the credit they need to expand their operations and create jobs.

"The President also announced additional support from the Treasury Department for smaller community lenders that are committed to increasing their lending to small businesses. Secretary Geithner and I will host a conference on small business lending with Members of Congress, regulators, lenders and the small business community. The conference will discuss additional efforts that can be taken to provide small businesses with access to credit. These steps, coupled with SBA's ongoing efforts, will help small businesses grow and create jobs throughout America."

Specifically, President Obama called for:

- Increasing the size of SBA's 7(a) loan from \$2 million to \$5 million.
- Increasing the size of SBA's 504 loan from \$2 million to \$5 million for standard borrowers (supporting a total project of \$12.5 million) and from \$4 million to \$5.5 million for manufacturers (supporting a total project of \$13.75 million).
- Increasing the size of SBA's Microloan from \$35,000 to \$50,000.

A copy of the President's remarks and a fact sheet on the announcement can be found at:

http://www.sba.gov/idc/groups/public/documents/sba_homepage/sba_rcvry_obama_evnt_remrks_09.pdf.

A fact sheet on the proposal can be found at:

http://www.sba.gov/idc/groups/public/documents/sba_homepage/sba_rcvry_new_effort_credit_s_b.pdf

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