



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

October 28, 2009  
(House Rules)

## STATEMENT OF ADMINISTRATION POLICY

### H.R. 3854 — Small Business Financing and Investment Act of 2009

(Rep. Schrader, D-Oregon, and 5 cosponsors)

The Administration supports legislation to expand financial assistance to small businesses and increase their access to capital. Small businesses are the backbone of the American economy and are responsible for nearly 65 percent of job creation. The Administration is committed to helping entrepreneurs as they undertake new business ventures, expand existing ones, and hire more Americans in the process.

On October 21<sup>st</sup>, the President announced the Administration's proposals to more than double the maximum size of loans to small businesses that the Small Business Administration (SBA) can guarantee under the 7(a) loan program from \$2 million to \$5 million. Similarly, maximum long-term financing that SBA provides through Certified Development Companies under the section 504 program is proposed to increase from \$2 million to \$5 million for standard borrowers and from \$4 million to \$5.5 million for manufacturers. Finally, the maximum size for small business microloans would increase from \$35,000 to \$50,000. The Administration looks forward to working with the Congress on these proposals as H.R. 3854 continues to be developed in the legislative process.

H.R. 3854 includes a number of provisions that the Administration believes will provide much needed assistance to small businesses, such as increased maximum loan sizes for the SBA's flagship 7(a) and section 504 programs. The bill also contains a number of additional provisions that the Administration believes can be modified to strengthen the assistance provided to small business, the engine of the Nation's economic recovery. These provisions include new programs that overlap to varying degrees with current authorities or might expose taxpayers to higher than necessary costs. To achieve a medium-term economic recovery that will create jobs and promote the expansion of small businesses overall, the Administration supports fiscally responsible approaches to expanding assistance for small businesses.

The Administration supports swift and aggressive action to ensure the Nation's small businesses have the capital they need to seize opportunities and create jobs. Passage of H.R. 3854 in the House is an important step in the legislative process, and the Administration encourages the Congress to build on that foundation by incorporating the President's proposals to further assist small businesses.

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