



Talking Points

The Small Business Jobs and Credit Act

Top Line Points:

- The Small Business Jobs and Credit Act will provide critical resources to help small businesses continue to drive economic recovery and create jobs. *(The President is expected to sign the bill on Monday).*
- The bill builds on the successful SBA Recovery loan programs by extending them further, and it offers billions more in lending support and tax breaks for small businesses.
- The bill is fully paid for, so it won't add a dime to the deficit.

Expanding Access to Capital to Grow Businesses and Create Jobs:

Immediate extension of successful Recovery loans:

- The bill will extend SBA Recovery loans (90% guarantee and reduced fees) through 2010.
- Since passage of the Recovery Act, under these enhancements, SBA has supported nearly 70,000 loans totaling \$30 billion in the hands of small business owners.
- Borrowers have reported to SBA that these loans have helped them retain and create hundreds of thousands of jobs across the country.
- The bill provides \$505 million, which we estimate will support about \$14 billion in new lending to small businesses
- Currently, more than 1,300 small businesses are waiting on a stand-by list totaling more than \$660 million in Recovery loans.

New Small Business Lending Fund to help community banks increase lending:

- The bill will create a Small Business Lending Fund of \$30 billion that will help local, community banks increase their small business lending.
- Local, community banks are some of the strongest partners small businesses have.
- This fund will provide them with added capital community banks need to increase their small business lending.
- The fund has built in incentives for these banks to increase their lending, including lower interest rates on repayment.

Larger loan sizes to support small business job creation:

- The bill will increase 7(a) and 504 loan limits from \$2 million to \$5 million (for manufacturers, up to \$5.5 million).
- Larger loan sizes support growth and expansion projects and the creation of new jobs by small manufacturers, franchisees, exporters, and others.

- The bill will also increase microloan maximums from \$35,000 to \$50,000.

Refinancing of commercial real-estate mortgages to help small businesses avoid foreclosure:

- The bill will allow owner-occupied small businesses to use the 504 loan program to refinance their non-SBA commercial real estate mortgages.
- With a large percentage of commercial real estate mortgages set to mature in the next few years, many small business owners face the negative impact of declining real estate values and potential foreclosure.
- Allowing good, healthy small businesses to refinance their mortgages will help them keep their doors open and protect jobs, as well as get more stable, long-term mortgage financing.

\$12 billion in Tax Relief for Small Businesses:

- This bill provides \$12 billion in tax relief for small businesses so they can invest more of their dollars into growing their business.
- The bill will extend and expand popular tax breaks such as:
 - Write-offs for new capital purchases;
 - Carry-back provisions of up to 5 years;
 - Accelerated/bonus depreciation; and,
 - Reduced capital gains taxes for small business investments.
- In addition, the bill will allow for: increased deductions for start-ups, deductions for employer-provided cell phones, and deductions for health insurance costs for the self-employed.

Ensuring Access to Federal Contracting Opportunities:

Ensuring equal treatment in federal contracting:

- The bill will reaffirm Congress' original intent of "parity," which allows federal agency contracting officers to choose among small businesses owned by women and service-disabled veterans, as well as those participating in HUBZone and 8(a).
- This clarification will help meet the government's small business contracting goals.