

*Washington, DC* - Congressman Maurice Hinchey (D-NY) today helped the House pass a bill designed to create new jobs and stimulate economic growth by providing small businesses with access to the loans and investment dollars they need to expand and grow their operations. Hinchey voted for the Small Business Financing and Investment Act, which will help open tight credit markets that have shut out small business owners during this economic crisis, so they can create jobs – particularly in struggling regions and industries.

"Small businesses are the backbone of our economy so if we're going to get our economy back on track we need to do everything we can to strengthen and promote small businesses, which in turn, will create jobs," Hinchey said. "This bill makes some important investments by helping to open up the lines of credit on which small businesses depend to keep their operations going. Along with a variety of other investments we've been making in Congress, this bill will help put people back to work while stabilizing the employment situation of many others."

Small businesses create 60-80 percent of new U.S. jobs every year, but the current economic crisis has frozen credit and made it difficult for American small businesses to get the financing they need. By comprehensively updating the Small Business Administration's capital access programs, the legislation is expected to support \$44 billion in lending and investment for smaller firms.

The legislation will increase loan sizes to better meet the needs of small businesses. It also includes incentives to encourage local banks to lend to small businesses and reduces bureaucratic red tape, making it easier for entrepreneurs to secure credit. The bill creates a new public-private partnership to expand investments in small business startups – an important source of job creation. It also extends critical provisions including in the American Recovery and Reinvestment Act (ARRA), which eliminate fees on Small Business Administration loans and guarantee up to 90 percent of 7(a) loans. To foster a diverse mix of businesses, it also takes steps to promote veteran-owned, women-owned and rural small businesses.