

Washington, DC -- U.S. Representative Michael A. Arcuri (D-Utica) followed up on his commitment to small businesses today by guiding the Small Business Lending Improvements Act (H.R. 1332) through the U.S. House of Representatives.

Arcuri, a member of the House Committee on Rules, sponsored and introduced the Rule (House Resolution 330), allowing the House to consider H.R. 1332, which would strengthen access to capital programs for small businesses, encourage private health care providers to establish practices in underserved areas, and provide small business loan support for veterans returning from Iraq and Afghanistan

“In the 24th district and across this country, Americans depend on small businesses as the vital force to drive the economy and provide essential everyday services,” Arcuri said. “This bill will help strengthen our nation’s small businesses by updating and streamlining two of the Small Business Administration’s largest financing programs. It will also encourage private health care providers to establish practices in Health Professional Shortage Areas and assist our nation’s veterans in starting or expanding a small business.”

The Small Business Lending Improvements Act (H.R. 1332) would:

- Address the critical shortage of health care providers in underserved areas by establishing a 7(a) loan program that reduces lender and borrower fees by half and increases the government guaranty to 90 percent for doctors and dentists serving Health Professional Shortage Areas. According to the Department of Health and Human Services, the 24th district is short almost 70 dental, primary care, and mental health practitioners.
- Help veterans returning from Iraq and Afghanistan secure funding to start or expand their firms by eliminating borrower and lender fees and increasing to 90 percent the guaranteed portion of loans made to veteran-owned small businesses. An estimated 900 of New York’s reservists currently deployed to Iraq and Afghanistan are self-employed, and another 100 are considered key employees within small businesses.
- Make 7(a) loans more economical for small businesses, increasing their access to capital and

business expansion. In 2006 \$755,585,000 in 7,871 7(a) loans were awarded to New York businesses.

- Establish a rural lender outreach program to attract small lenders back into SBA's lending program -- reducing application burdens for borrowers and lenders to streamline and expedite the lending process.

- Implement long overdue changes to strengthen the community ties between certain lenders (Certified Development Companies (CDC)/504) and their local economies and gives CDCs the tools they need to make the loans that are needed by area businesses.

H.R. 1332, which is expected to pass the House today with bi-partisan support, is supported by wide range of organizations, including the Independent Community Bankers of America, the American Dental Association, the American Veterans, and the American College of Physicians.

A copy of Arcuri's floor speech in support of H.R. 1332 is attached below:

**The Honorable Michael A. Arcuri
In the House of Representatives
Rule Providing for Consideration of H.R. 1332
Opening Statement**

Wednesday, April 25, 2007

Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 330 and ask for its immediate consideration.

Mr. Speaker, for the purpose of debate only, I yield the customary thirty minutes to the gentleman from Washington, Mr. Hastings. All time yielded during consideration of the rule is for debate only. I also ask unanimous consent that all Members be given five legislative days in which to revise and extend their remarks on House Resolution 330.

Thank you, Mr. Speaker. I yield myself such time as I may consume.

Mr. Speaker, House Resolution 330 provides for consideration of H.R. 1332 the Small Business Lending Improvements Act of 2007 under a structured rule. The rule provides one hour of general debate controlled by the chairman and ranking minority member of the Committee on Small Business. The rule makes in order the substitute reported by the Committee on Small Business as an original bill for the purpose of amendment. The rule makes in order all four germane amendments that were submitted to the Rules Committee. And, finally, the rule provides one motion to recommit with or without instructions.

Mr. Speaker, this bi-partisan legislation, crafted under the leadership of my colleague from New York and Chairwoman of the Small Business Committee Ms. Velazquez, maintains the support of a wide range of organizations, including the Independent Community Bankers of America, the American Dental Association, the American Veterans, and the American College of Physicians.

Small businesses are the backbone of the American economy. In my home state of New York, 99 percent of all businesses are small businesses, and they employ 52 percent of the non-farm, private-sector workforce. In 2005, an estimated 62 thousand new small firms began operations in New York, creating \$77 billion in entrepreneurial income for the state.

In my district and across this country, Americans depend on small businesses to drive the economy and provide essential everyday services. Sadly, it's a constant struggle for many of these entrepreneurs just to keep the lights on, as larger companies continue to push out Mom and Pop businesses in cities and towns across the country.

My constituents in Upstate New York have experienced this loss firsthand, and I am proud to have the opportunity, as a member of the distinguished Rules Committee, to manage the rule for such an important piece of legislation for our nation's small businesses.

The Small Business Lending Improvements Act will help strengthen our nation's small businesses by updating and streamlining two of the Small Business Administration's largest financing programs, the 7(a) and 504 loan programs.

This bill will make the 7(a) program more affordable for both borrowers and lenders by reducing fees and increasing the SBA guaranty on 7(a) loans. It will also modernize the 504 Certified Development Company program by improving the ability of CDCs to liquidate defaulted

loans and by requiring that local community leaders be included on every CDC board of directors. And it will make permanent the Community Express Program, providing increased access to capital for socially- and economically-disadvantaged small business owners.

This bill also establishes two important new 7(a) loan programs: one to encourage private health care providers to establish practices in federally designated Health Professional Shortage Areas, and one to assist our nation's veterans in starting or expanding a small business.

Despite an abundance of health professionals, New York State has 102 communities designated by the federal government as Health Professional Shortage Areas – only 16 percent of physicians practicing in New York provide services in these medically underserved areas. According to the Department of Health and Human Services, the district I am privileged to represent is short nearly 70 dental, primary care, and mental health practitioners. Further, a handful of the counties I represent don't even have a resident OB-GYN, forcing thousands of women to travel 40 to 50 miles just to seek routine care.

Mr. Speaker, this problem is not confined to Upstate New York – over 60 million Americans currently live in medically underserved areas across this country. The Small Business Lending Improvements Act will address this critical shortage by establishing a 7(a) loan program that reduces lender and borrower fees by half and increases the government guaranty to 90 percent for doctors and dentists serving Health Professional Shortage Areas.

These financial incentives are critical to encouraging private health care providers to establish practices in underserved areas and to expanding access to quality health care for millions of Americans.

Mr. Speaker, this legislation will also ensure that our returning servicemen and women are afforded every opportunity to start or expand a small business by establishing a dedicated 7(a) loan program for veterans.

An estimated 900 of New York's reservists currently deployed to Iraq and Afghanistan are self-employed, and another 100 are considered key employees within small businesses. The absence of these men and women during 12 to 15 month deployments often forces the small businesses they own to operate at greatly reduced levels, at times declining to near-startup condition by the time the owner returns. And absence due to deployment is most detrimental to

the smallest towns, where many Reserve and Guard members operate businesses essential to the community.

The Small Business Lending Improvements Act will help address the obstacles faced by small business owners deployed to Iraq and Afghanistan by eliminating borrower and lender fees and increasing to 90 percent the government guaranty for loans to veterans under the 7(a) program.

According to American Veterans National Commander Thomas C. McGriff, “these [lender] fees, which can amount to thousands of dollars are due upfront and can deter entrepreneurs from seeking financial assistance all together.”

Mr. Speaker, by creating a lending structure tailored specifically for veterans, this bill will encourage entrepreneurship and help to repay the enormous debt we owe to our brave men and women in uniform.

Mr. Speaker, it’s our nation’s small businesses that keep our nation’s economy moving full speed ahead. Let’s take this opportunity to provide further encouragement for the creation of new small businesses and for our nation’s existing small business owners to expand.

I am proud to support this bi-partisan legislation and encourage my colleagues on both sides of the aisle to do the same.

Thank you. I reserve the balance of my time.

###