

## **The Blue Dog Small Business Package**

*Fostering a pro-growth environment that allows small businesses to thrive*

### **Small Business Administration 504 Loan Refinancing Extension Act of 2011**

Introduced by Congressman Joe Donnelly

Market research shows that a large percentage of commercial mortgages outstanding are set to mature within the next few years. As real estate values have declined, however, even small businesses that are performing well and making their payments on time can have a hard time refinancing these loans and may need to restructure their debt.

Under *The Small Business Jobs Act of 2010*, the SBA authorized a temporary program through September 27, 2012, allowing small businesses to refinance eligible fixed assets in its 504 program without requirement of an expansion, as is the case with typical 504 loans. This program provides more small businesses with an expanded opportunity to lock in long-term, stable financing, as well as protect jobs.

Donnelly's *Small Business Administration 504 Loan Refinancing Extension Act of 2011* would extend this program for 1 year.

### **Small Business Opportunity Expansion Act of 2011**

Introduced by Congressman Joe Donnelly

It is the policy of the United States, as stated in *The Small Business Act*, that all small businesses have the maximum practicable opportunity to participate in providing goods and services to the government. To ensure that small businesses get their fair share, the SBA negotiates annual procurement preference goals with each federal agency and reviews each agency's results. The SBA is responsible for ensuring that the statutory government-wide goals are met:

- 23% of prime contracts for small businesses (actual was 20.3% in 2010);
- 5% of prime and subcontracts for small disadvantaged businesses (actual was 7% in 2010);
- 5% of prime and subcontracts for women-owned small businesses (actual was 4.4% in 2010);
- 3% of prime and subcontracts for HUBZone businesses (actual was 2.4% in 2010);
- 3% of prime and subcontracts for service-disabled veteran-owned small businesses (actual was 2.2% in 2010).

There are no punitive consequences for not meeting the procurement goals. However, the SBA's Small Business Goaling Report is distributed widely and can encourage use of small businesses' products and services.

Donnelly's *Small Business Opportunity Expansion Act of 2011* would amend *The Small Business Act* to increase the small business procurement goals by 1% each.

### **Small Business Administration Express Loan Extension Act of 2011**

Co-sponsored by Congressman Joe Donnelly

The *SBAExpress* program gives small business borrowers an accelerated turnaround time for SBA's review of their loan application. Small businesses receive a response to their application within 36 hours. In addition, lower interest rates are often available to borrowers when they apply through an *Express* program.

Unlike traditional 7(a) loans, *SBAExpress* loans carry a 50 percent guarantee and can be used as revolving lines of credit. For example, the loans can be used to help restock inventories and support larger revenue sales, which are particularly critical for small businesses as they emerge out of the recession.

The maximum loan amount in this program is \$350,000. *The Small Business Jobs Act of 2010* temporarily increased the maximum to \$1 million so more small businesses could take advantage of the streamlined approval process for working lines of credit and other capital they need. This increase ends on September 26, 2011.

The Donnelly-supported *Small Business Administration Express Loan Extension Act of 2011* would extend the \$1 million maximum until December 31, 2012.