



REPRESENTATIVE THOMAS NELSON ASSEMBLY MAJORITY LEADER

FOR IMMEDIATE RELEASE
January 28, 2010

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MAJORITY LEADER NELSON: ASSEMBLY ANSWERS THE PRESIDENT'S CALL TO EXPAND SMALL BUSINESS LENDING, CREATE JOBS

CAPITAL ACCESS PROGRAM PROPOSAL HAS PROVEN TRACK RECORD OF CREATING JOBS

MADISON – Assembly Majority Leader Thomas Nelson (D-Kaukauna) scheduled an Assembly vote today on the Small Business Capital Access bill (AB 532), legislation that would expand lending to small businesses and entrepreneurs. President Obama called for a similar proposal in his State of the Union Address last night.

“Small businesses are an essential part of our state’s economic recovery. Unfortunately, limited access to credit is hindering their ability to expand and create jobs,” said Representative Nelson. “Last night, President Obama called for a national program to address this problem. In Wisconsin, we are already taking action by passing this bill.”

In his State of the Union Address last night, President Obama proposed using \$30 billion of the money Wall Street banks have repaid and use it to help community banks make small businesses loans.

AB 532 would help financial institutions lend to small businesses that might not normally be approved for credit by establishing a loan loss fund. Lenders and borrowers would pay a small amount into the fund, with the state matching the contribution. Once a loan has been repaid, the reserve funds would be reused for future loans, lowering the program’s cost.

“Across the country, capital access programs have a proven record of spurring economic development and creating jobs,” said Representative Nelson. “By expanding the availability of credit, this bill will help small businesses expand and hire.”

Currently, 26 states and two major cities, including Milwaukee, have capital access programs. Milwaukee’s Capital Access Program has leveraged \$37.36 for each \$1 in funding. Since it was founded in 1992, the program has leveraged \$53,309,754 in small business loans with \$1,400,000 in funding. AB 532 would expand the Milwaukee program statewide.

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