



Small Business Recovery



Helping Small Firms Find Financing

(NAPSA)—Small businesses are expected to play a big part in improving the economy.

The Obama administration has taken several steps to ensure that businesses have access to the credit they need to survive and grow. Most Small Business Administration (SBA) loans under the American Recovery and Reinvestment Act—more than \$30 billion so far—are for general small-business purposes, such as working capital or buying buildings or equipment.

The Recovery Act increased guarantees and reduced fees for SBA's primary loan programs, lifting the agency's weekly loan approval amounts by 90 percent when compared to the pre-Recovery Act totals.

Another program under the Act, SBA's America's Recovery Capital (ARC) loans serve a special purpose in the agency's credit toolbox, providing up to \$35,000 to established, viable, for-profit small businesses that need short-term help to make principal and interest payments on existing and qualifying business debt. The loans are guaranteed by the SBA and have no SBA fees. Loan proceeds are provided over six months and repayment of principal is deferred for a year after the last disbursement. Repayment can extend up to five years. The best candidates for ARC loans are small businesses that were profitable but are currently struggling, yet have been making loan payments or are just beginning to miss loan payments due to financial hardship.

ARC loans are made by commercial lenders who are SBA participants. The SBA pays these



The sooner a small business applies for a government loan, the sooner it may be able to get needed assistance.

banks a monthly interest rate throughout the term of the loan.

Essentially, the Act:

- Provides entrepreneurs and lenders with financial relief that will help encourage borrowing and lending to all small businesses, including startups;
- Offers businesses access to the capital and the tools they need to drive economic recovery and to create and retain jobs;
- Helps unlock credit markets;
- Temporarily eliminates some loan fees for borrowers and lenders.

If you're just starting out with a small business, the SBA can help you with loans and business management skills. If you're already in business, you can use SBA resources to help manage and expand your company and have your voice heard. For more information about the ARC program, visit www.sba.gov/recovery/arcloanprogram/index.html.

For information on SBA's other programs and services, visit www.sba.gov.