

**CALLING FOR FEDERAL ACTION TO SPUR ECONOMIC RECOVERY OF SMALL
BUSINESSES**

WHEREAS, over the past decade, small businesses have accounted for 60-80 percent of annual job creation, and currently account for almost 50 percent of total jobs in the private sector; and

WHEREAS, over the past several months, small business entrepreneurs have experienced extraordinary difficulty in accessing capital; and

WHEREAS, the Small Business Administration (SBA) typically guarantees approximately \$20 billion in loans annually; however, new lending in 2009 is predicted to be less than \$10 billion; and

WHEREAS, a report by the International Franchise Association Educational Foundation determined that for every \$1 million of lending obtained by franchised small businesses, 34.1 jobs are created and \$3.6 million in annual total economic output is realized; and

WHEREAS, franchised businesses consistently outperform non-franchised businesses, creating more jobs and economic activity in local communities across the country; and

NOW THEREFORE BE IT RESOLVED that further action must be taken to stimulate the economic recovery of America's small business sector and encourage lenders to resume lending to small franchised businesses; and,

BE IT FURTHER RESOLVED that Congress should increase the standard SBA 7(a) maximum loan limit from \$2 million to \$3 million, increasing the maximum guarantee dollars from \$1.5 million to \$2.7 million, so that more small businesses can take advantage of the program; and,

BE IT FURTHER RESOLVED Congress should temporarily eliminate or sharply reduce SBA lender fees to increase the incentive for banks to write loans; and

BE IT FURTHER RESOLVED Congress should allow market-based loan pricing so that inflexible SBA loan caps are not discouraging banks from making loans; and

BE IT FURTHER RESOLVED the SBA must reverse its new policy on acquisition financing for "goodwill" that is unnecessarily dragging down the value of established small businesses; and

BE IT FURTHER RESOVED Congress should examine other regulatory reforms that will stimulate the lending market for small businesses.