



## **Lieutenant Governor Highlights Funds Available to Spur Small Business**

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### ***Small Business Loans, Bonding Assistance, and Energy Efficiency Financing Can Help Jump-Start Small Businesses***

Lieutenant Governor Matthew Denn urged Delaware small businesses today to take advantage of several funding opportunities related to the federal economic stimulus effort. Lieutenant Governor Denn has been asked by the Governor to oversee implementation of the federal stimulus package in Delaware.

The opportunities involve small business loans that can be obtained on favorable terms, assistance with gaining performance bonds that can allow small businesses to bid on construction work, and financing of energy efficiency improvements in businessesplaces.

“We believe that small business will be the engine that helps bring our economy back,” Denn said, “and for that reason we have been trying to publicize these opportunities as they have become available. We are redoubling our efforts now, because some of these opportunities may be expanding due to recent interest in Congress in increasing small business loan funds.”

The opportunities are:

- The American Recovery and Reinvestment Act has expanded the availability of federally subsidized business “microloans” of up to \$35,000. These loan funds are available in Delaware from the First State Community Loan Fund (302-652-6774), and they are available to small businesses that might not otherwise qualify for traditional commercial financing.
- The U.S. Small Business Administration guarantees small business loans (“7(a) loans”) that small businesses can seek through local private banks, which can be substantially larger than the microloans. ARRA made the terms of these loans even more favorable, and although ARRA funds are expiring, the SBA is allowing businesses to be put on a waiting list for lower-cost 7(a) loans that would be made available by proposed new federal funding. Traditional 7(a) small business loans, which also have favorable terms, are available now. The Delaware SBA office can be reached at 302-573-6294.

- The SBA offers a surety bond guarantee program, which helps small businesses to purchase bonds necessary to perform work such as construction projects. The SBA guarantees the surety bonds, which are purchased by small businesses from a number of companies licensed to issue such bonds in Delaware.
- For businesses that install energy efficiency equipment in their businessplace that would previously have qualified for a federal tax credit, those credits have been converted by ARRA into up-front payments from the United States Treasury. This will make it possible for businesses to finance energy efficiency improvements. Details regarding the energy efficiency subsidy can be found at <http://treasury.gov/recovery/1603.shtml>
- The SBA is also subsidizing Certified Development Company loans, which can be used for the acquisition of real estate and other fixed assets by small businesses. As with the 7(a) loans, the SBA is allowing Certified Development Companies to join a waiting list for new federal funding to obtain favorable terms for these loans.

Some Delaware businesses have already taken advantage of these federal programs. For example, Masley Enterprises—a local company that manufactures fire-resistant gloves—received a Small Business Administration loan this year that enabled it to fill a major order from the United States Military, and to expand its local workforce from four employees to 37 employees.

For more information on loans and help available, please call the Small Business Administration Delaware District Office, at 302-573-6294 and call First State Community Loan Fund at 302-652-6774.