

# Obama signs \$30B small business lending bill

WASHINGTON - Scoring a prized political victory five weeks before the Nov. 2 elections, President Barack Obama on Monday signed a bill to help small businesses expand and hire by cutting their taxes and creating a \$30 billion loan fund.

Obama said the incentives will help small businesses right away. But any hiring may not be enough to help some Democrats ahead of crucial midterm elections in which voters are expected to vent their frustrations over a slow-growing economy and near-10 percent unemployment.

The bill had been delayed for months, blocked in the Senate by Republicans. Most in the GOP objected to the loan fund, comparing it to the 2008 financial industry bailout and arguing that it would encourage banks to make loans to risky borrowers. Two GOP senators, George Voinovich of Ohio and George LeMieux of Florida, helped Democrats break the filibuster this month - and the bill passed.

Obama said small businesses are "the anchors of our Main Streets," creating most of the jobs in the country.

"It was critical that we cut taxes and make more loans available to entrepreneurs," he said before signing the bill in the East Room of the White House. "Today, after a long and tough fight,

I am signing a small business jobs bill that does exactly that."

The bill creates a \$30 billion government fund to help encourage lending to small businesses, many of which

have been having difficulty securing bank loans and credit. The fund will be available to community banks, which could use the money to leverage billions more in loans.

The legislation also includes about \$12 billion in tax breaks for small business - eight separate tax cuts that take effect Monday. One such provision increases to \$500,000 the amount of investments that businesses would be allowed to write off this year and next.

The measure also gives a boost to some Small Business Administration loan programs.

The new law follows earlier administration efforts to help small businesses, including eight different tax cuts, as well as a temporary payroll tax holiday for companies that hire people off the unemployment lines.

"This bill will do two big things," Obama said before signing the bill. "It's going to cut taxes and it's going to make more loans available for small businesses. It's a great victory for America's entrepreneurs."



Several business owners who stood with Obama for the signing echoed his sentiments afterward.

Prachee Devada, founder of Synergy Enterprises, Inc., an information technology company in Silver Spring, Md., told reporters that she'll be hiring at least 20 people as a result of the new law. She said she hired about 20 people under contracts funded by the economic stimulus.

"Obviously this bill is making a huge difference to me as a small business," Devada said.

