



Legislation Text

File #: Res 1574-2012, **Version:** *

Res. No. 1574

Resolution calling upon the United States Congress to enact and the President to sign H.R. 4191, the Credit Union Small Business Lending Act.

By Council Members Dickens, James, Koo, Lander, Mealy, Rose, Vann, Williams and Rodriguez

Whereas, The Credit Union Small Business Lending Act, H.R. 4191, was introduced on March 8, 2012 in the United States House of Representatives to enhance the 7(a) loan program; and

Whereas, The 7(a) loan program assists qualifying small business borrowers by providing loan guarantees, which would limit the lenders' losses in the event a borrower defaults; and

Whereas, This legislation would establish a process through which credit unions participating in the 7(a) loan program may receive approvals and repurchasing loan guarantees; and

Whereas, The Act would create a 7(a) loan guarantee program which would guaranty up to 85 percent of each loan issued by credit unions to its' members on loans that do not exceed \$250,000 if the member resides or plans to locate their business in an underserved area; and

Whereas, The legislation would amend the Small Business Act and establish a credit union outreach program for the purposes of increasing credit union participation in the 7(a) loan program; and

Whereas, According to a recent report by the United States Small Business Administration's Office of Advocacy, small business loans issued by credit unions under \$1 million have risen substantially over the last decade when compared to total loans issued by both community banks and commercial banks; and

Whereas, This report also found that small business loans issued at credit unions has offset the decline in small business loans issued at commercial banks; and

Whereas, The number of credit unions reporting business loans increased from 5 percent in 1986 to 30

percent in 2010; and

Whereas, Passage of the Credit Union Small Business Act would aide entrepreneurs seeking to start or expand their businesses; and

Whereas, According to a Survey of the Citizens Budget Commission and the Federal Reserve Bank of New York, small businesses account for approximately two-thirds of the City's private sector jobs; and

Whereas, Credit unions are filling a critical void in the marketplace for small businesses which are the business lifeline of New York City; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the United States Congress to enact and the President to sign H.R. 4191, the Credit Union Small Business Lending Act.

LS# 3935

10/23/12

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