



Economic Development Services

Entrepreneur Services

Loan Services

FOR IMMEDIATE RELEASE

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## **Small businesses create jobs under stimulus program**

One little-known aspect of the American Reinvestment and Recovery Act of 2009, the federal stimulus bill, allows small businesses to borrow more affordably for expansion under a popular U.S. Small Business Administration loan program.

Under the program, processing fees were waived for loans made through the Small Business Administration's 504 loan program, one of the federal government's most popular programs for lending to small businesses planning to expand and create jobs. In Hamilton County, that program is administered by the Hamilton County Development Co.

Since the fee reductions took effect, HCDC has approved over \$21.5 million in loans to 49 small businesses, including 25 located within Hamilton County. These loans have resulted in \$54 million in new investment by businesses that plan to create 325 new jobs.

The bill appropriated funding for the Small Business Administration to pay for the loan processing and bank participation fees, which are normally paid by the borrower. The fees for these 49 loans totaled \$458,581. With 325 jobs planned, the cost to the government per job comes to \$1,412.

"This is an effective use of taxpayer funds to stimulate job creation and the economy," said Hamilton County Development Co. President David Main. The businesses and their employees will pay additional state, federal and local taxes as a result of the projects that will more than offset the cost.

The 504 loan program provides long-term, fixed-rate financing, with a low down payment, for small businesses to expand, acquire or build new buildings, and create jobs. HCDC has participated for more than 27 years in the U.S. Small Business Administration's lending program, making SBA 504 loans available to growing and expanding small businesses now throughout the State of Ohio, the Commonwealth of Kentucky and Southwest Indiana.

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