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For immediate release:

Larger loans can create more jobs in Michigan.

A proposed increase in the size of SBA loans, up 150% to \$5 million, supports more business growth and job creation.

The Federal government has announced a proposal to increase the cap on the size of the Small Business Administration's 504 loans from \$2 million to \$5 million. "This is a significant change to help entrepreneurs and business owners get the credit they need to expand and create jobs," said Sandy Bloem, president of the Economic Development Foundation.

"This is important because to have job growth, small businesses need enough credit to expand. SBA loans work to help reduce the bank's risk and thus help borrowing companies get loans with less collateral and/or cash down payment. This can help stimulate growth."

Currently the maximum loan under the program is \$2 million (or \$4 million for manufacturers). The percentage of 504 loans for more than \$1.5 million has grown, from 15% of all dollars loaned in 2005 to 28% in 2009. This expansion of the cap on the size of SBA 504 loans will allow small businesses to undertake larger projects.

The Economic Development Foundation is a certified development company, with over 25 years of experience with the SBA 504 loan program. EDF is a non-profit company created to promote job creation throughout Michigan. EDF enjoys working with all types of businesses to start, build and grow their companies with an experienced team and a highly personal hands-on approach to lead customers through the loan process.

For more information or question about the SBA 504 loans contact the Economic Development Foundation:

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