

REVENUE: May have revenue impact, statement not yet issued

FISCAL: May have fiscal impact, statement not yet issued

Action:	Do Pass and Be Referred to the Committee on Ways and Means by prior reference
Vote:	6 - 1 - 0
Yeas:	Barnhart, Dallum, Holvey, Lim, Riley, Witt
Nays:	Girod
Exc.:	0
Prepared By:	Ellen Osoinach, Committee Administrator
Meeting Dates:	3/16, 4/30

WHAT THE MEASURE DOES: Authorizes Oregon Economic and Community Development Department (OECDD) to create loss reserve accounts for nonprofit organizations engaged in alternative lending. Requires OECDD to fund the loss reserve accounts with an amount equal to 10 percent of the total loan. Establishes Alternative Capital Access Fund and allocates \$50,000 from the Department of Administrative Services Economic Development Fund for the fund. Authorizes administrative costs.

ISSUES DISCUSSED:

- Duplication of Capital Access Program (CAP)
- Allocation of risk
- Potential amendments

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Capital Access Program (CAP) provides loan portfolio insurance for loans made by 501(c)(3) non-profit organizations to young entrepreneurs. CAP utilizes banks and private lending institutions to manage the loan process. HB 2981 is patterned after CAP but requires OECDD to be directly involved in the lending process.