



**PAUL R. HOLVEY**  
**STATE REPRESENTATIVE**  
DISTRICT 8

**OREGON HOUSE OF REPRESENTATIVES**

February 6, 2012

Co-Chair Cliff Bentz, Co-Chair Dave Hunt  
Members of the House Transportation and Economic Development Committee  
RE: HB 4150 – Credit Enhancement Fund

Thank you for agreeing to hold a public hearing and possible work session on HB 4150. Oregon small businesses are continuing to struggle to recover from the global recession. I believe one of our most important tasks this session is creating an environment where businesses can grow and create jobs, by ensuring they have access to the capital that will allow them to do that.

HB 4150 is a simple, straightforward bill that can help inject more capital to Oregon's small businesses. The bill expands the types of businesses that have access to the Credit Enhancement Fund, one of the state's economic development tools administered by Business Oregon.

The Credit Enhancement Fund is a loan guarantee program that helps lenders, often our community banks and credit unions, assist business trying to access capital for fixed assets, working capital, or export financing. Currently the program is limited to traded sector businesses, unless located in an economically distressed area, or if developing a brownfield.

As Oregon slowly rebuilds from the recession, we're finding counties that are coming off the distressed rolls, making quality businesses ineligible for access to this capital. While it's great some of these areas are seeing some recovery, I think we can agree that places like Morrow County and Clatskanie still could use the access to this pivotal financing. This money, given to us through the Small Business Credit Initiative, can be used to help expand small business lending and spur private sector job creation.

If we don't pass this bill and expand the fund to more businesses, we won't be able to use all of the money available and businesses will suffer as a result. This bill is the kind of bill that is very doable this February. We purposefully looked for practical, achievable economic development tools that could be implemented this session.

We have tools and resources at our disposal right now that need additional coordination and fine tuning to get the most benefit from these programs. If we leverage what we currently have, we can get the biggest small business bang for our buck. We can help get Oregon's economy back on the move. It's a good bill that we can all get behind. I urge your support and passage of HB 4150.

Thank you for your consideration.

Respectfully,

Paul Holvey  
State Representative  
District 8

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