

Chairman Lively and members of the committee, I am Jim McCreight, Director of Strategic Partnerships for the Oregon Technology Business Center in Beaverton commonly known as OTBC.

OTBC is a 14 year old startup business incubator which provides assistance to entrepreneurs statewide. One of our successful programs the past 5 years has been our Virtual Incubation Program which is a 6 to 8 week online business startup training program offered each week, live, over an interactive video conferencing site. In the past 5 years we have worked with over 100 entrepreneurs in every corner of Oregon and have learned about the challenges they face, particularly those in rural areas and from those considered being in underserved communities.

The challenge for entrepreneurs in borrowing money or obtaining seed investment funds is considerable. Borrowing from a bank has become difficult due to the decline in the number of banks and branches. In 2000 Oregon had 47 banks, today 16! Between 2009 and 2019 Oregon lost 16% of its bank branches. 12 of Oregon's rural counties now have 5 or fewer branches each. Harney County with 10,133 square miles now has 3 bank branches!

Fewer local banks and branches where entrepreneurs can develop personal relationships with their local manager results in businesses having to reach out to larger national banks who are reluctant to loan in a rural area especially. Even in the Portland area we have seen a 41% decrease

since 2007 in business loans under \$100,000 which are often the loans sought by early stage startups. HB 4033 by helping offer loan loss guarantees will make it easier for banks to loan to rural entrepreneurs and to the minority and underserved communities. Because of that we strongly support HB 4033.

OTBC is reaching out to rural Oregon with funds received from the Oregon Community Foundation, The Ford Family Foundation, the Oregon Growth Board, and the Economic Development Administration of the U.S. Department of Commerce to assist local rural communities form micro-seed funds to invest in rural entrepreneurial startups. We are working with 3 communities now, will add 3 more in the second half of this year and six more next year. HB 4033 which will provide funds to analyze the entrepreneurial ecosystem led by the Oregon Entrepreneurs Network will assist us in identifying future areas needing micro seed funds to grow startups particularly in rural Oregon.

HB 4033 also would provide \$3 million to the Business Oregon department to further programs to assist early-stage startups. We plan to work with Business Oregon and the Oregon Growth Board to help small business and startups thrive and succeed.

By passing HB 4033 you can help small businesses and startup entrepreneurs, particularly in the underserved communities, have a chance to succeed and contribute to a

growing and prosperous Oregon economy. We urge you to support the bill.

Thank you.