

Coffman Supports Access to Capital, Opposes Big Government Bailouts

(WASHINGTON) - Rep. Mike Coffman (R-Aurora) issued the following statement after voting against H.R. 5297, the so-called Small Business Lending Fund Act. H.R. 5297 is the latest attempt by the Democrat majority to spur job creation, this time by creating a \$30 billion fund for the government to make capital investments in small banks. However, the legislation does not include any requirements that banks use the money to lend to small businesses and would deepen our nation's debt by more than \$30 billion dollars:

“As widely reported this week, more than 90 banks missed their May TARP payments. This shows the growing number of financial institutions unable to meet their obligation to repay taxpayer funded bailouts.”

“Unquestionably, small businesses are the economic engine that drives our economy and access to capital for those businesses is the sparkplug that ignites the engine and keeps it running. While I strongly support increasing access to capital for small businesses, I cannot in good conscience support a bill that amounts to another \$32 billion taxpayer funded bailout and has no mechanism to ensure banks actually lend the money.”

“This bill does contain valuable provisions, including one I co-sponsored which would allow community banks to amortize, or write down, commercial real estate loan losses over a period of time to ensure an adequate amount of capital for continued lending. The provision encourages continued lending to small businesses by establishing a graduated scale with a maximum 10 year period of amortization, for increased small business lending of 10% or more.”

“As a former small business owner, I know first-hand that access to capital is a critical concern but this bill is not the answer. Instead of lowering taxes, reducing unnecessary regulatory burdens, and enacting fiscally responsible solutions the majority has chosen another federal bailout that empowers the government to reach into the pocket-books of private sector businesses and employees.”

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