

**WASHINGTON, D.C.** – Today U.S. Rep. Mike Coffman, R-CO, introduced bi-partisan legislation with Rep. Ed Perlmutter, D-CO, to provide community banks regulatory relief with the goal of increasing lending to America’s small businesses so they can create new jobs and reinvest in their businesses.

This legislation benefitted from a Small Business Committee, Subcommittee on Investigations, Oversight, and Regulations hearing, on June 21st. At this hearing Chairman Coffman, Representative Perlmutter, and members of the subcommittee heard testimony and asked witnesses questions designed to increase small business lending and find new ways to spur economic growth.

“As a former small business owner I know how crucial it is to have access to credit in order to maintain and hopefully grow one’s business. When credit is not available there is no hope for hiring new employees or for buying new equipment. We must provide a solution in a simple and cost effective way, which will have a real and positive impact on small businesses,” Coffman said.

“Small businesses are the economic engine of our economy,” said Perlmutter. “Their innovation and ingenuity will help our country continue to diversify, grow and prosper. Small business owners and small banks are not looking for a bailout or a free deal. They are asking for a fair deal to be able to compete. This plan is the responsible way to help small businesses access capital and create the jobs we need to work our way back to prosperity,” Perlmutter said.

Currently, banking regulators are tasked with maintaining the safety and soundness of financial institutions. The Small Business Lending For Jobs Act of 2012 would provide federal banking regulators with a dual mission of also promoting credit availability, so long as credit is provided in a safe and sound manner. Bank examiners often take an overly cautious approach in assessing loans, which can negatively impact a bank’s ability to make new loans. Requiring that bank regulators promote credit availability in addition to their current mandate will lead to balance in banking regulation. This change means regulators will now consider the impact their actions are having on banks, their customers, and the community in reviewing loans.

The bill will also promote credit availability for small businesses by allowing banks to amortize their loan losses over time (up to seven years) on commercial real estate loans. This provision

is an issue Rep. Perlmutter along with Rep. Coffman's support, has been working on for years. Absent such amortization, a bank's loan losses must be taken all at once, in many cases when the real estate is lowest in value. Spreading the loan losses over seven years will preserve bank capital, facilitate increased lending and, speed up our nation's economic recovery.

Coffman introduced the Small Business Lending For Jobs Act of 2012 with Perlmutter after numerous discussions with small business owners and financial services industry experts.

*Published June 27, 2012*