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Merkley's Bank on Our Communities Act to Help Small Businesses Create Jobs

WASHINGTON, D.C. - Oregon's Senator Jeff Merkley issued the following statement in advance of the U.S. Senate Democratic Policy Committee's hearing Wednesday on barriers to job creation for small businesses:

"This Congress has no higher priority than getting Americans back to work. And as today's hearing will explore, getting banks lending to small businesses is vital to creating jobs.

"Small businesses have the ability to drive job growth, but the lack of lending from our nation's banks has crippled their ability to create jobs. Business owners looking to expand and add positions are being blocked by frozen credit markets in the wake of last year's financial collapse.

"To get small businesses hiring again, we need to help community banks start lending again.

"The big Wall Street banks have received TARP funding, but small business lending is not their top priority. Unlike the bigger firms, our community banks are eager to lend to small business owners. In fact, according to the FDIC, 67 percent of this year's small business lending came from banks of \$10 billion in assets or less, even though they make up only 22 percent of national banking assets. The problem is that for many of our community banks, the financial crisis has dried up private capital and sapped their ability to extend credit.

"I've introduced legislation that will strengthen community banks and allow them to start extending credit again to small businesses. By using a combination of TARP capital and private capital in community banks, with conditions that guarantee that money will go to small businesses, the Bank on Our Communities Act will get capital flowing to Main Street once again and spur job growth at the local level."

The Bank on Our Communities Act is co-sponsored by Senators Barbara Boxer (D-Calif.), John Kerry (D-Mass.), Carl Levin (D-Mich.), Mark Udall (D-N. Mex.), Mark Pryor (D-Ark.), and Tom Carper (D-Del.).

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