

[Bob Kinzel, VPR News](#)

(Host) Vermont's small business community will gain access to millions of dollars of new capital under legislation just signed into law by President Obama.

The Vermont Chamber of Commerce says the proposal could help create new jobs in the state in the coming months.

VPR's Bob Kinzel has more.

(Kinzel) The new law contains several provisions to help small businesses expand their operations with the goal of creating new jobs.

The proposal targets \$30 billion to the federal Small Business Lending Fund to provide new capital to qualified businesses.

Under this provision, local banks will still review individual business applications for new capital but 90% of each loan will be guaranteed by the federal government.

Congressman Peter Welch is a strong supporter of the bill. He says the law is a partnership between local banks, the federal government and the small business community:

(Welch) "What we've done is go from lending money recklessly to not lending money at all and we've got to get back to balance and part of building that confidence is a combination of unleashing the judgment of our local bankers the entrepreneurship of our local entrepreneurs with a back up from the federal government and this can help get that started."

(Kinzel) Senator Patrick Leahy says small states like Vermont should benefit the most from this new approach:

(Leahy) "It's one thing for a company like Intel or IBM huge companies like that they've got all the financing they want and they can self finance but when you have a small company with 3,4, or 10 employees that can't always get that money this will help them do it."

(Kinzel) The Vermont Chamber of Commerce also backs the new law. Executive director Betsy Bishop says the plan is good news for state's small business community:

(Bishop) "We do need a greater access to capital and so certainly the provisions that are made in this bill will help that and I think will help small businesses certainly some of the tax provisions as well are things that are always that we would support as we try to make sure that small businesses can reinvest their profits in to their business."

(Kinzel) Bishop says the new loan program comes at a time when a number of small businesses may consider expanding because it appears that the Vermont economy has bottomed out.

But she cautions that many businesses haven't fully recovered from the recession:

(Bishop) "About a year and a half ago everybody was in the same boat where this is really rough and I would say for the last 6 months folks are what I would characterize as sort of holding on getting through as opposed to still going downward and in some instances starting to climb out."

(Kinzel) Officials say they hope the new loan funds will be available in the next few weeks.

For VPR News, I'm Bob Kinzel in Montpelier.

