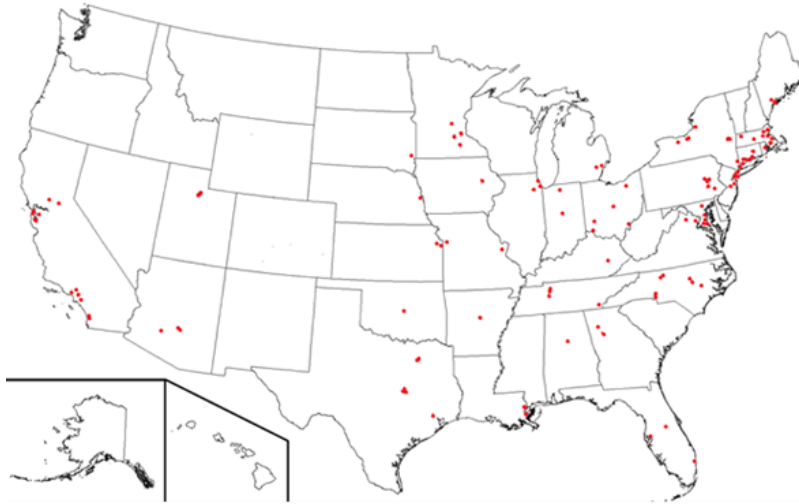


S.1995 Spurring Business In Communities Act

The Small Business Investment Company (SBIC) program drives local economic growth by providing SBA guarantees and licenses to firms that invest in small businesses. While the investments of these companies are broadly distributed, the geographic locations of the investment firms receiving SBA backing are not. **72 percent of all Small Business Investment Companies are located in ten states.**



The Small Business Investment Act of 1958 declares a mission to “ensure the provision of small business investment company financing to all areas of the country.” Government financing for small businesses should not disproportionately benefit areas already dominated by financial services. As a government-backed venture, the SBIC program should be resistant to market pressures that concentrate investment in finance-heavy regions, instead using its funds to ensure a broader distribution of its benefits.

The legislation would increase the ability of the SBA to meet this standard, and increase the SBA’s accountability to Congress and the public by:

- Exempting SBIC applicants from under-licensed states from full capital requirements;
- Giving first priority to new applicants from under-licensed and under-financed states;
- Establishing annual reporting requirements on the SBA’s progress toward increasing the geographic dispersion of SBICs