

**JANUARY 8, 2004**

**SCHAKOWSKY: BUSH ADMINISTRATION'S MISSTATEMENT OF THE DAY -  
SMALL BUSINESS LOANS**

**WASHINGTON, D.C. - U.S. Representative Jan Schakowsky (D-IL) issued today's "Bush Administration's Misstatement of the Day" on small business loans.**

□  
**Appearing on the White House webpage is the following statement:**

**Small businesses are the heart of the American economy because they drive innovation - new firms are established on the very premise that they can do a better job. (The White House, The President's Small Business Agenda)**

**According to today's Chicago Tribune, however, the Small Business Administration (SBA) ".has temporarily suspended its flagship loan guarantee program." leaving thousands of applicants without access to needed capital. "It is believed," the article continued, "to be the first-ever suspension of the SBA's 7(a) loan program, which backs 40 percent of all long-term lending to the country's small businesses."**

□  
**□ Hedy Ratner, co-president of the Women's Business Development Center, supports the SBA's 7(a) program. She said, "It's absolutely critical. Our businesses would be lost without it."**

**□ The Bush Administration failed to budget enough FY'04 funds for the bipartisan and successful program. Small business advocates across the country agree.**

**James Ballentine, director of housing and community development for the American Bankers Association (ABA), said, "If they [SBA] had sought the \$12 billion that everyone told them to seek [last year], the program would be running normally."**

**Tony Wilkinson, president and chief executive of the National Association of Government Guaranteed Lenders, agreed with the ABA. He said, "The administration ignored the lending patterns that occurred at the end of last year."**