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Lift caps on credit union loans

Small businesses remain a key driver of economic progress, but right now many prospective or existing small-business owners aren't getting the support they need to start or grow their businesses. The National Federation of Independent Business reports that just 40 percent of small-business owners nationwide who attempted to borrow in 2009 had their credit needs met.

Credit unions are continuing to lend through the current downturn. In fact, credit unions nationwide registered a 10 percent increase in business lending in 2009. On a state level, Georgia credit unions held more than a half-billion dollars in business loans at the end of December.

But credit unions are held back by limits on how much they can lend to small businesses — a result of an arbitrary cap set by Congress in 1998. Legislation has been introduced in Congress that would increase the cap from the current 12.25 percent of assets to 25 percent. This could inject \$10 billion into the economy and create 108,000 new jobs just in the first year, all at no cost to taxpayers.

Raising the cap on business lending for credit unions would have an immediate, positive effect on the economy by giving small-business owners the resources they need to survive, prosper and create jobs for Georgians. Credit unions want to play a bigger role in our economic recovery. Let's hope Congress allows them to do just that by acting soon.

John Rhea

- John Rhea is CEO of Robins Federal Credit Union, which operates in a number of counties across Georgia, including Athens-Clarke County.