



News Archives Web Search powered by YAHOO! SEARCH

Search input field with Search button

Opinion

Comments (5) | Recommend (0) | Monday, Apr. 12, 2010

Credit unions could help increase lending

By JOHN RHEA - Special to The Telegraph

The road to economic recovery is going to be a long one, and it's going to start on main streets in Macon and throughout Georgia with small businesses. Small businesses remain a key driver of economic progress in Macon, but right now many prospective or existing small business owners aren't getting the support they need to start or grow their businesses. In fact, 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, down significantly from about 90 percent just a few years ago.

Members increasingly tell credit unions that they have been cut back or turned down by their existing lenders. They want to know if credit unions can help with their small-business loan needs.

Credit unions are continuing to lend through the current downturn, as they have done reliably and conservatively for 100 years. 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 2009.

But as ready as credit unions are to help, they are held back by limits in how much they can lend to small businesses by 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. Some of those jobs could be created right here in Macon, helping to lower an unemployment rate of nearly 11 percent.

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 is Robins Federal Credit Union CEO.

Sign up for daily e-mail news alerts

SHARE MY YAHOO! E-Mail Print Reprint|license Text Size: - +

Welcome Guest Sign In | Become a Member



QUICK JOB SEARCH

Enter Keyword(s): Enter a City:

Select a State: All United States Select a Category: All Job Categories

Advanced Job Search | Search by Category SEARCH

You must be logged in to leave a comment. Login | Register

Comment input area

Submit

Comments: 5 Showing: Newest first



CC72 wrote on 04/13/2010 07:08:02 AM: IT IS A DELIGHT TO DEAL WITH ROBINS FCU.

Recommend (0) Report abuse



odb101 wrote on 04/12/2010 01:31:28 PM: i meant when unemployment is this high.

[Recommend \(0\)](#) [Report abuse](#)**odb101 wrote on 04/12/2010 01:30:51 PM:**

there is a reason why only 40% of loan requests for small businesses were approved last year. when unemployment is this low, and with the fears of socialism lingering, people are not spending money. when people dont spend money, businesses sales drop. when sales drop, their cash flow isnt good. when their cash flow isnt good, they cant borrow money. it doesnt matter if it is a credit union or a bank where a loan request is made. i see this everyday.

[Recommend \(0\)](#) [Report abuse](#)**nucular_option wrote on 04/12/2010 08:10:53 AM:**

Credit unions make money by lending to responsible borrowers. When a borrower pays back the loan there's interest that goes with it. This is the risk in lending money - the borrower must pay back the loan according to the terms set forth in the lending agreement.

Keep credit unions lending to responsible borrowers. Don't mess with a successful business practice. KISS.

[Recommend \(0\)](#) [Report abuse](#)**Top wrote on 04/12/2010 06:30:29 AM:**

Thank you Robins FCU for the AWESOME car loan that I have, one that is not front-loaded to pay off interest and is at a fair rate. I will definitely do business with Robins FCU again!

[Recommend \(0\)](#) [Report abuse](#)

More comments on this story: 1

[Classic Car Lending - Woodside Credit](#)

Low monthly payments-Flexible terms. Superior Service.
woodsidecredit.com

[Fixed Mortgage Refinance at 4.25%](#)

Credit Union Mortgage Rates Drop. Refinance to Lower Mortgage Payments
MortgageRateLive.com

[Valley Oak Credit Union](#)

Valley Oak Credit Union (Vocu) has served Tulare and Madera County residents
www.valleyoak.org

Ads by Yahoo!

SITE MAP

NEWS

- Breaking News
- Business
- Crime & Courts
- Columnists
- Education
- Local
- Gas tracker
- Houston/Peach
- Nation
- Obituaries
- Photos
- Politics
- Schools
- Technology
- Video
- Weird News
- World
- Wires

SPORTS

- Baseball
- Atlanta Braves
- Basketball
- Colleges
- Fort Valley State
- Georgia Southern
- Georgia Tech
- Univ. of Georgia
- Mercer
- Columnists
- Football
- Atlanta Falcons
- Golf
- High School
- Hockey
- Horse Racing
- Little League
- Motorsports
- NASCAR
- Atlanta
- Other Sports
- Outdoors
- Wires

ENTERTAINMENT

- Celebrities
- Comics & Games
- DVDs/Videos
- Horoscopes
- Local theaters
- Movies
- Music
- Restaurants
- Television
- Wires

LIVING

- Dear Abby
- Education
- Family
- Food
- Health
- Home & Garden
- Mark Ballard
- Neighbors
- Recipes
- Religion
- Teens
- Travel
- Wires

CLASSIFIEDS

- Apartments
- Cars
- Celebrations
- Homes
- Jobs
- Legals/Notices
- Newspaper ads
- Obituaries
- Weddings & Engagements

