



Fact Sheet

PRESS OFFICE

Small Business Jobs Act of 2010

On Sept. 27, President Obama signed into law the Small Business Jobs Act, which will provide critical resources to help small businesses continue to drive economic recovery and create jobs. The new law extends the successful SBA enhanced loan provisions while offering billions more in lending support and tax breaks for entrepreneurs and small business owners.

New Law Puts More Capital in the Hands of Entrepreneurs and Small Business Owners

- SBA Enhanced Loan Provisions – \$14 billion more in lending support
 - The law extends SBA loan provisions (with the 90% guarantee and reduced fees) through Dec. 31. The \$505 million for Jobs Act loans will support about \$14 billion in overall small business lending.
 - In the first week of the Jobs Act, SBA provided nearly 2,000 loans totaling nearly \$1 billion in lending support.
- Higher Loan Limits – significantly increases maximum loan sizes in top loan programs
 - The law permanently increases 7(a) and 504 limits from \$2 million to \$5 million (for manufacturers in 504 loan program, up to \$5.5 million).
 - The law permanently increases microloan limits from \$35,000 to \$50,000, helping larger entrepreneurs with start-up costs and small business owners in underserved communities.
- Alternative Size Standards – more small businesses eligible to get SBA loans
 - The law expands the number of small businesses eligible for SBA loans by increasing the alternate size standard to those with less than \$15 million in net worth and \$5 million in average net income.
- Temporary Enhancements to Help with Working Capital, Commercial Real Estate Refinancing
 - The law will increase maximum amount of SBA Express loans from \$350,000 to \$1 million (expires 9/27/2011).
 - In coming months, the law will allow some small businesses to refinance their owner-occupied commercial real estate mortgages into the 504 loan program (expires 9/27/2012).
- Dealer Floor Plan Pilot Extension, Expansion
 - The pilot program (begun 2009) will be extended to 2013. Though the old pilot has expired, the new, larger pilot will be implemented in coming months. This will help small businesses owners who sell cars, RVs, boats, other titleable inventory.
- Small Business Intermediary Lending Pilot
 - In six to twelve months, the law will provide for funding up to \$20 million per year in small business loans over the next three years for an intermediary-facilitated loan program targeting small businesses that need loans up to \$200,000.

New Law Strengthens Small Businesses' Ability to Compete for Contracts, Including Recommendations from the President's Task Force on Federal Contracting Opportunities for Small Business

- Equal Treatment across Federal Contracting Programs
 - The law reaffirms "parity" among federal small business contracting programs. When conducting contracts that are set-aside for small businesses, contracting officers are free to choose among businesses owned by women and service-disabled veterans, as well as businesses participating in HUBZone programs and 8(a) programs.

- Better Playing Field for Small Businesses – more accountability, integrity, transparency
 - The law gives agency procurement officers more ability to provide both large prime contracts and microcontracts to small businesses. The law has stronger enforcement so agencies will be held more accountable for reaching small business goals.
 - The law makes it harder for agencies to “bundle” contracts, a practice that often takes opportunities away from small business.
 - The law eliminated the Competitiveness Demonstration program, a program which limited opportunities for small business contractors in about 10 industries where they excel, with over \$24 billion in contracting in FY09.
 - The law enforces stronger subcontracting plan requirements for large prime contractors to ensure small businesses are utilized in subcontracting. It also discourages late payments to small subcontractors.
 - The law enforces SBA’s continuing efforts to combat fraud, waste, and abuse. Federal agencies, including the Department of Justice, will have more ability to vigorously pursue companies that win contracts by misrepresenting their small business status.
- Small Business Teaming Opportunities
 - The law provides \$25 million for a new pilot that provides grants that will help small businesses team up with each other to compete for larger and more complex federal government contracts.

New Law Promotes Small Business Exporting, Building on the President’s National Export Initiative

- Export Express Pilot Becomes Permanent
 - The law turns the Export Express pilot loan program into a permanent program with 90% guarantees for loans up to \$350,000 and 75% for loans between \$350,000 and \$500,000.
- State Trade and Export Promotion Grants Pilot
 - In coming months, the law will provide \$90 million in competitive grants over next three years for states to help small business owners with exporting.
- Increased Staff and Strengthened Export Counseling Resources.

Law Expands Training and Counseling:

- Major Investment in Counseling and Training
 - In coming months, the law will provide \$50 million in grants available to Small Business Development Centers.
- More Opportunities in Export Counseling (see above)

New Law Provides \$12 Billion in Tax Relief to Help Small Businesses Invest in their Firms, Create Jobs

- Extension, Expansion of Tax Cuts – 8 Small Business Tax Cuts
 1. The highest small business expensing limit ever, of \$500,000
 2. Carry-back provisions on net operating losses of up to 5 years
 3. Accelerated/bonus depreciation
 4. Zero capital gains taxes for those who invest in small businesses
 5. Increased deductions for start-ups
 6. Deductions for employer-provided cell phones
 7. Deductions for health insurance costs for the self-employed
 8. Limitations on penalties for errors in tax reporting that disproportionately affect small business

Treasury Department Provisions

- Small Business Lending Fund – \$30 billion
 - The law will provide smaller community banks with low-cost capital (as low as 1%) if they go above and beyond 2009 small business lending levels.
- Establishes State Small Business Credit Initiative
 - The law will provide up to \$1.5 billion to support state-run small business lending programs.

For more detailed information on the Small Business Jobs Act, go to www.sba.gov/jobsact