

# TACO-LOCO



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February 9, 2011

Governor Sean Parnell  
P.O. Box 110001  
Juneau, AK 99811

Subject: House Bill 121 and Senate Bill 67

Governor Parnell,

I would like to extend my support for Governor Parnell's legislation, House Bill 121 and Senate Bill 67.

As a small business owner I strongly feel these two bills for the Microloan program would be of great value to small businesses in Alaska. With today's business climate it is extremely difficult to secure loans with reasonable interest rates or terms.

Due to the high cost of operating a small business in Alaska, small businesses often struggle to purchase and install equipment while meeting payroll and other expenses. The Microloan program would help alleviate some of the cost, by allowing the business to use the microloan program to buy equipment or raw materials and use the business capital to pay labor and expenses instead of trying to cover all the cost, thus over extending a business. Most banks will not loan on new or used equipment without a large down payment and also charge very high interest rates. I can personally attest to not being able to secure a loan for our business because of the recession. I was seeking a loan to purchase equipment and the loan officer informed me that "because of the current economic climate the interest rate would have to be 12 percent and the bank would need 35 percent down"; even though I had the capital to cover the loan, and I had just paid a loan off early with the same bank.

Given the fact that most Alaskans have a distinct disadvantage when starting up a business or operating an existing business in Alaska, I strongly feel a Microloan program would be beneficial to all small businesses in Alaska and I encourage the House and Senate to pass these two bills.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Adam Galindo'.

Adam Galindo  
President