

STATE OF ALASKA

THE LEGISLATURE

1989

Source

Legislative
Resolve No.

CSHJR 37(L&C)

LR 30



Requesting repeal or modification of a recent order of the Small Business Administration so that the agency may continue to assist small businesses in Alaska through use of loan guarantees.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS, citing excessive demand for loans and a shortage of money to loan, the Small Business Administration recently adopted an order placing a temporary limitation on the use of section 7(a) Small Business Administration loan proceeds for the refinancing of debt; and

WHEREAS, under the order, announced in the Small Business Administration's notice number 5000-242 and valid for the remainder of the federal fiscal year, existing Small Business Administration loans will not be refinanced with new loans, and any restructuring will require that the existing loan will remain outstanding; and

WHEREAS small businesses and financial institutions in Alaska are already suffering from the current economic recession; and

WHEREAS the state's economic stability depends primarily on the health and productivity of small businesses; and

WHEREAS small businesses in Alaska are a major source of stable employment for the citizens of the state; and

WHEREAS the restrictions on the ability to refinance loans announced by the Small Business Administration will further delay recovery of small businesses and financial institutions in the state, and the delay and detrimental effect of these changes, including resultant closures, on these businesses will result in a significant loss of employment opportunities for the citizens of the state;

BE IT RESOLVED that the Alaska State Legislature respectfully requests the Small Business Administration to repeal or modify its recent order so that the Administration may continue to assist the state's small businesses through use of loan guarantees in conjunction with refinancing initiatives.

COPIES of this resolution shall be sent to the Honorable George Bush, President of the United States; the Honorable Robert A. Mosbacher, Secretary of the U.S. Department of Commerce; the Honorable James Abdnor, Administrator of the Small Business Administration; Frank Cox, District Director for Alaska of the Small Business Administration; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.