



COMMONWEALTH OF VIRGINIA
Office of the Governor

Timothy M. Kaine
Governor

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**GOVERNOR KAINE ANNOUNCES VIRGINIA SMALL BUSINESS FINANCING
AUTHORITY WILL LOWER RATES, LENGTHEN TERMS**

~ VSBFA Enhances Loan Programs to Benefit Small Business ~

RICHMOND – Governor Timothy M. Kaine today announced enhancements to the Virginia Small Business Financing Authority’s (VSBFA) Direct Loan and Loan Guarantee programs. For new loans, the rate on the Direct Loan Program will drop by two percent, and the program’s term length will increase from a five-year to a 10-year maximum. The VSBFA’s Loan Guarantee Program term will also increase, from a three-year to a five-year guarantee.

“These rate and term enhancements offer lower costs and more flexibility for small business owners, as well as banks and other lenders looking for creative ways to support small businesses,” said Governor Kaine. “We expect lower rates and longer terms to lead to new investments and new jobs, helping boost hundreds of small businesses looking to grow across the Commonwealth, especially in our rural and economically distressed areas.”

The VSBFA provides direct loans in economic development transactions and under specific programs designed to promote environmental stewardship and assist licensed daycare centers and family home providers. Loan guarantees offered through the VSBFA provide credit enhancements to commercial banks to increase access to capital for businesses.

During fiscal year 2006, the VSBFA administered \$6 million in financing committed to 103 businesses and local industrial development authorities, resulting in \$201 million in additional financing and ensuring the creation or retention of 1,447 jobs in the Commonwealth.

The Virginia Department of Business Assistance (VDBA) administers the programs of the VSBFA. VDBA supports economic development in the Commonwealth by working with new and existing businesses to provide workforce incentives, loans, business information, incubator counseling, and educational opportunities for the business and economic development communities. VDBA also administers the Virginia Business Information Center (VBIC), which provides answers and solutions to business related inquiries. VBIC can be contacted by calling (804) 371-0438, (866) 248-8814 (toll free), or by e-mailing VBIC@vdba.virginia.gov.

The Commonwealth of Virginia recently was designated the country's "Best State for Business" by Forbes.com. Virginia placed in the top ten in each of the six categories examined, including business costs, economic climate, growth prospects, labor, quality of life, and regulatory environment. No other state placed in the top ten in more than three categories.

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