

WASHINGTON - U.S. Rep. Harry Mitchell today announced a new Small Business Lending Program aimed toward providing interest-free loans to local small businesses experiencing financial hardship. The program, entitled "America's Recovery Capital" (ARC), allows small firms to take out loans of \$35,000 to pay down existing business debts with no interest and a grace period of one year before repayment begins.

"Right now, businesses in Arizona are hurting," said Rep. Mitchell. "Many of these businesses could be viable in the long term if they could make it through the rough patch they've been facing. This program will help businesses stay afloat, pay their bills, and continue to create jobs while our economy recovers."

To qualify for ARC loans, small firms must demonstrate that they are experiencing immediate financial hardship due to the economic downturn, but are otherwise viable according to the Small Business Administration (SBA). ARC loans will be made by commercial lenders and can be used for payments of principal and interest for existing, qualifying small business debts like credit card obligations, mortgages, lines of credit, and balances due to suppliers, vendors, and utilities.

To apply for ARC loans, businesses should visit their local SBA-approved small business lenders. Loans will be available through September 30, 2010, or until appropriated funding runs out. For more information on the ARC loan program, visit <http://www.sba.gov/recovery/arcloanprogram/index.html>

The program was approved as part of The American Recovery and Reinvestment Act of 2009, also known as the stimulus bill, which Mitchell voted for. It passed the House and was signed into law by President Obama in February.