

“Save Our Small Business” Fund Approved

Governor Culver has signed the “Save Our Small (SOS) Business” legislation designed to boost small businesses. After meeting and discussing concerns with small businesses during the session, Legislators developed a small business loan fund, giving businesses access to capital. Iowa small businesses expressed this as a top concern.

Starting August 1, Iowa small businesses will have access to an SOS Business Fund that will provide loans at 3.9%. Administered through the Department of Economic Development and the Iowa Foundation for Microenterprise and Community Vitality (IFMCV) under Iowa State University, the loans will be for Iowa businesses with 35 or fewer employees.

The loans can be from \$2,500 to \$50,000. A business plan must be approved by a Small Business Development Center or a non-profit agency dealing with business technical assistance. Money for the fund will only be available for eight months, starting August 1, 2010, through March 31, 2011, or when the available money runs out.

The SOS Business Fund can not be used for payroll obligations. Also, a company with environmental or worker safety law violations does not qualify. The program is designed to be a rapid response for a short period of time to assist small businesses.

Even though the funds are not available until August 1, businesses starting up, expanding, or needing access to capital should develop a business plan now. The business plan needs to be approved by a Small Business Development Center, which can review plans of small businesses right now. To find your local Small Business Development Center location in Iowa, go to www.iowasbdc.org.

The IFMCV can also answer questions about the program at (515) 212-0182. Once the program is started, they will ultimately be responsible for approving and monitoring the small business loans.