

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB1459

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Moran

3. Committee: Passed Both Houses

4. Title: Virginia Small Business Financing Act; preferred lenders.

5. Summary: Authorizes the Virginia Small Business Financing Authority to delegate to certain banks decisioning and processing functions and responsibilities with respect to certain Authority-guaranteed loans. The Authority will allocate to the preferred lenders credit authority for the lesser of an Authority-determined amount or the funds available for loan guarantees.

6. Fiscal Impact Estimates are: Final. See item 8, below.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: The proposed legislation is in response to a new program established by the U.S. Small Business Administration (SBA) and the Virginia Small Business Financing Authority (VSBFA). This program, the Virginia Supplemental Guaranty Program, will allow the SBA and the VSBFA to co-guarantee eligible small business loans. The SBA currently allows preferred lenders to underwrite loan guarantees as part of the Virginia Supplemental Guaranty Program; the proposed legislation would allow the VSBFA to do the same. This is intended to streamline the underwriting process for institutions making loan guarantees as part of the Virginia Supplemental Guaranty Program.

The Department of Business Assistance, of which the VSBFA is part, may incur costs in developing new regulations associated with the provisions of the proposed legislation, but any costs are expected to be minimal and could be absorbed within current resources.

9. Specific Agency or Political Subdivisions Affected: Virginia Small Business Financing Authority.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 3/10/2008 dpbtmw

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cc: Secretary of Commerce and Trade