

March 17, 2010

Dear Chairman Jones and Members of the House Commerce Committee:

In cooperation with the Michigan Economic Development Corporation (MEDC) and the Michigan Small Business and Technology Development Centers (MI-SBTDC), more than 30 Michigan credit unions have committed an initial \$43 million for small business loans that will benefit more than 2,000 new businesses – and more are expected to join throughout the year.

The program will help train entrepreneurs and small business owners while connecting them with local credit unions to secure the necessary capital to start or grow their business. Credit unions continue to be in a strong position to lend despite the state's economic woes when other institutions have cut back on business lending. The Michigan Credit Union League (MCUL) and its member credit unions are excited to play an increasingly important role in the transformation of Michigan's future economy.

Progress to Date:

- January 15 – MCUL contacted member credit unions to secure pledges to a new small business lending initiative with the State of Michigan.
- January 27 – MCUL hosted the first Michigan Small Business Financing Alliance (SBFA) discussion with credit unions and officials from the MEDC, MI-SBTDC, and Governor Granholm's administration.
- February 3 - Governor Jennifer Granholm officially announced the new SBFA.
- February 10 – MCUL identified credit union workgroup leaders and established a timeline for upcoming meetings.
- February 17 – MCUL met with key partners to develop a 90 day action plan toward implementation of the new program.
- February 25 – MCUL outreach to the MI-SBTDC's, identifying program contacts with each of the 12 regional offices.
- March 2 - The SBFA workgroup discussed the loan program parameters and working relationship with the MI-SBTDCs and MEDC office.
- March 12 - The MCUL SBFA website will provide information on the Regional MI-SBTDC offices and how credit unions interested in participating in the program may begin implementation.
- March 16 - Next SBFA Workgroup meeting will include representatives from the MI-SBTDC and MEDC to discuss their roles within the Alliance.

Next Steps:

- April 13 and 14 - The MCUL will host two educational webinars for credit unions regarding program specifics.
- May 1 – Official roll-out of SBFA through the participating credit unions and the MI-SBTDC regional offices.

- May 20-22 – The MCUL’s Annual Convention and Exhibition will conduct additional education sessions regarding the SBFA.

Additional information and updates on the SBFA will be provided through the MCUL’s website, at www.mcul.org as it becomes available. For questions, please do not hesitate to contact me at Jordan.Kingdon@mcul.org or at (800) 262-6285 ext. 475.

Sincerely,

A handwritten signature in black ink that reads "Jordan Kingdon". The signature is written in a cursive, flowing style.

Jordan Kingdon
Director of Government Affairs

Enclosure(s)



Regional Centers

Escanaba

Traverse City

Alpena

Harrison/Mt. Pleasant

Midland/Bay City/
Saginaw

Flint

Grand Rapids

Lansing

Detroit

Mt. Clemens

Kalamazoo

Ypsilanti



In partnership with
the MI-SBTDC



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Seidman School of Business
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Grand Rapids, MI 49504
www.misbtdc.org

Date: February 24, 2010
Contact: Jennifer Deamud (MI-SBTDC)
Phone: 616-331-7482
E-mail: deamudj@gvsu.edu

Governor Holds Roundtable at GVSU to Discuss Initiatives to Help Grow Michigan's Economy, Create Jobs

*New tools are available to help
small and medium-sized businesses grow and create jobs in Michigan.*

GRAND RAPIDS – Governor Jennifer M. Granholm today joined with the Michigan Small Business and Technology Development Centers (MI-SBTDC), Michigan Credit Union League (MCUL), Grand Rapids Community Foundation and FastTrac NewVenture program clients at Grand Valley State University to discuss new tools available to help small and medium-sized businesses grow in Michigan. The governor discussed a new partnership that will be launched this year with the MCUL and the MI-SBTDC to provide an initial \$43 million for eligible small business loans.

“Small businesses are vital sources of innovation and job creation in Michigan,” Granholm said. “Through collaboration and tools like the FastTrac program, and the Michigan Small Business Financing Alliance with the Michigan Credit Union League, the state will enable even more Michigan citizens to develop their entrepreneurial talents that will help continue the diversification of Michigan’s economy.”

FastTrac NewVenture, a program of the Ewing Marion Kauffman Foundation, offers real world guidance to people who want to become entrepreneurs. During the ten-week course, entrepreneurs evaluate the feasibility of their business concept, make contacts, and learn how to start profitable small businesses, attract new clients or customers, retain employees, and improve service and product offerings.

The Grand Rapids Community Foundation provided a \$75,000 grant to provide FastTrac NewVenture to the Grand Rapids Community. The Michigan Economic Development Corporation has pledged \$200,000 to expand the program in 2010 in other areas of the state. This practical hands-on business development program will help 1,000 prospective entrepreneurs hone the skills they need to create, manage and grow a successful, job creating business.

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“Michigan is committed to creating a robust, supportive culture of entrepreneurship that will strengthen and diversify the state’s economy,” Michigan Economic Development Corporation President and CEO Greg Main said. “These new partnerships will be a driving force in this effort, empowering small business owners and entrepreneurs to pursue their dreams and helping them to succeed.”

“Michigan is committed to the growth of small businesses, which will play a critical role in rebuilding Michigan's economy,” stated Carol Lopucki, State Director of the Michigan Small Business and Technology Development Center. “The FastTrac programs allow entrepreneurs and small business owners an opportunity to test the feasibility of an idea and develop a plan before they launch a small business or take their business in a new direction. FastTrac is one of the many tools that are available to entrepreneurs here in Michigan.”

The governor also discussed today with the Michigan Credit Union League that over 30 credit unions have committed an initial \$43 million for small business loans in partnership with the MEDC and MI-SBTDC.

The Michigan Credit Union League and its subsidiary CUcorp will coordinate the alignment of Michigan’s 335 credit unions with the MI-SBTDC. A critical element of the program will be the alignment of applications for credit union capital with a technical assistance process administered by the MEDC and MI-SBTDC, which will include training and individual counseling. This assistance will increase the programs success since these types of loans carry higher-than-average credit risk, and credit unions will apply their normal careful underwriting standards for each loan.

With the initial pledged funds of \$43 million, assuming an average loan size of \$20,000, credit unions hope to help at least 2,150 small businesses statewide.

A formal working group to outline the step by step process will be immediately formed. The MCUL will also seek to advocate for state and federal legislation that will strengthen and expand access to funding leverage programs like the 21st Century Jobs Fund and the Capital Access Program in order to maximize the availability of capital to the Michigan small business community.

“Credit unions, as not-for-profit cooperatives, have demonstrated their desire and capacity to lend during these difficult economic times,” said Michigan Credit Union League CEO Dave Adams. “We are fueling loan growth for the auto industry through our Invest in America program (www.lovemycreditunion.org) and now we see great opportunities to expand small business lending. It is what our state badly needs.”

Inquiries regarding the new credit union small business loan alliance should be directed to the Michigan Credit Union League at 800-262-6285. Further details regarding this program will be made available within the next 90 days. In the interim, interested potential borrowers can also contact their

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credit unions as a majority of credit unions do make small business loans. However, inquiries regarding this specific alliance should be directed to MCUL. To register for the FastTrac NewVenture program or for more information, please contact the Michigan Small Business and Technology Development Center at 616-331-7370 or visit www.misbtdc.org.

About the Grand Rapids Community Foundation

Grand Rapids Community Foundation supports Kent County, Michigan nonprofits and leads the community in making positive, sustainable change. Its success is connected to the generosity of donors and the expertise of grantee organizations. For more information, visit www.grfoundation.org.

About the MI-SBTDC

The Michigan Small Business & Technology Development Center provides counseling, training and market research for Michigan's new business ventures, existing small businesses, expanding new businesses and new technology companies. The MI-SBTDC™ is located at the Grand Valley State University Seidman College of Business in Grand Rapids, Michigan. As host of the MI-SBTDC State Headquarters, the Seidman College of Business oversees the twelve-region MI-SBTDC network. Entrepreneurs and small business owners may access the services of their nearest MI-SBTDC by calling (616) 331-7480 or visiting www.misbtdc.org.

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