

## Credit unions can increase lending

**W**e all know that the road to economic recovery is going to be a long one, and it's going to start on Main Street Georgia with small businesses. But right now many prospective or existing small-business owners aren't getting the support they need to start or grow their businesses. In fact, the National Federation of Independent Business (NFIB) reports that only 40 percent of small-business owners attempting to borrow in 2009 had all of their credit needs met, compared with about 90 percent just a few years ago.

Increasingly, members are telling credit unions that they have been cut back or turned down by their existing lenders.

They want to know if credit unions can help with their small-business loan needs.

Credit unions are continuing to lend through the current downturn, as they have done reliably and conservatively for 100 years. In fact, credit unions nationwide registered a 10 percent increase in business lending in 2009.

On a state level, Georgia credit unions held more than a half-billion dollars in business loans at the end of December 2009.

But as capable and willing as credit unions are to help, they are currently limited in how

much they can lend to small businesses under an arbitrary cap set by Congress in 1998. Legislation has been introduced in Congress that would increase the cap

from the current 12.25 percent of assets to 25 percent. Doing so could inject \$10 billion into the economy in the first year alone, creating 108,000 new jobs — all at no cost to taxpayers.

Raising the cap on business lending for credit unions would have an immediate, positive effect on the economy by giving small-business owners the resources they need to survive, prosper and create jobs for Georgians. Credit unions are ready and waiting to play a bigger role in our economic recovery. Let's hope Congress allows them to do just that by acting soon.

**Mercer** is CEO of Georgia Credit Union Affiliates, an organization that provides services and support that help credit unions meet the financial services needs of the state's more than 1.8 million credit union members.



**VIEWPOINT**  
**Mike Mercer**