



OREGON SMALL BUSINESS DEVELOPMENT CENTER NETWORK

Helping Build Oregon's Best Businesses

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To Whom It May Concern,

At the request of Business Oregon, the Oregon SBDC Network has reviewed HB4015 and the proposed changes to the Entrepreneurial Development Loan Fund program. The suggestion to raise the EDLF loan amount cap for individual businesses to \$1,000,000 is timely as the Pandemic has led to many changes in the business environment since the program's inception in 1991.

Our business advisers recognize the need to support businesses that may not conventionally qualify for larger loan requests, who will seek alternative financing. Currently the EDLF program is unable to consider loan requests greater than \$250K, even from those businesses considered financeable by alternative lenders. The SBDC frequently experiences the need for alternative financing with our clients, due to our work with early stage business that may not have established commercial credit history, financial track records of profitability, as well as having limited collateral. Additionally, the current EDLF program loan limit rules out some otherwise eligible businesses, due to certain industries requiring larger purchases (ie: equipment & real estate) compared with when the program was conceived in 1991.

We additionally feel that the changes in underwriting lower equity contributions from 20% to 15% should help borrowers with less cash or equity, to better capitalize and grow.

The Oregon SBDC Network can not advocate for specific legislation, and appreciates this opportunity to offer technical review and feedback regarding the needs of small businesses in Oregon.

Warm Regards,

A handwritten signature in black ink that reads "Mark Gregory". The signature is written in a cursive style with a horizontal line underneath.

Mark Gregory
Oregon SBDC Network
State Director