2

I want to thank all of you, and the people you work with, for the extraordinary job you have done.

You know, many of us have heard about microenterprise over a number of years. Bill and I were trying to determine when we had heard about it -- and as we get older it seems harder to remember. (Laughter.) We think it was somewhere in the early '80s, somewhere between '84 and '86. And we had heard about this because it was an idea that had been transplanted from Bangladesh to the South Shore Bank in Chicago, a place that I am very familiar with. And I was very anxious to learn more about how microenterprise was transforming both rural areas, among some of the poorest people on our planet, and urban areas in our own city.

I have been, now, around our country and around the world, meeting with people who are the recipients of microenterprise awards. And I have been just struck, time and time again, by the heroic stories that they tell. I'll never forget the look of pride on the face of a woman I met from Guatemala, who told me that with the help of a small loan, she had gone from being a mango seller on the streets to owning a market stall, and eventually running a small business with 15 employees. So from the time she had started on the streets selling mangoes, to the age of 12, she had had a long, hard effort of a lot of work, but it paid off. And she told me with great pride that she was sending her son to college in the United States.

In Western India, I walked into a women's bank, which had only one room and the teller's counter was an old kitchen table and bank clerks transcribed all of the recorded transactions by hand on yellow sheets of paper. But while I was there I met women who walked 12 to 15 hours from remote villages to take out loans -- some as small as $1, to invest in dairy cows, plows or goods to sell at market. These women were among some of the poorest and least educated of all Indians. But their loan repayment rate was nearly 100 percent, and they told me what they had done with their loans and how that had transformed their lives, enabling them to give their children better housing, health care and other opportunities.

I was also very pleased last year in Africa when I accompanied the President and the President of the Uganda to a microenterprise site in a village some distance from the capital of Kampala. I don't think that a head of state had ever visited a village site of a microenterprise group, and I know that two heads of state at the same time have never done that. (Laughter.) And I was delighted that both the President and President Museveni had the same reaction that I always have -- a great deal of interest and a great deal of pride in what they were hearing on behalf of the people who were telling their stories.

But microenterprise had not only transformed lives abroad, they are transforming lives right here at home. I remember visiting the Mi Casa Microlending Program in Denver and speaking to a group of women who told me about how they had had good ideas, but they couldn't get any capital anywhere. One woman memorably remarked, you know, a lot of good ideas die in the parking lots of banks. (Laughter.) She said, you know, I knew I was a good baker, I knew I could open a bakery, I knew I could employ people -- but I didn't have any collateral and the amount of money that I wanted was below the lending limit of the bank. Well, thanks to microenterprise, she was doing what she had dreamed of.

The origin of these awards go back to the United Nations Fourth World Conference on Women in Beijing, when I pledged on behalf of the President and the administration a commitment to spread microenterprise and microlending through our nations; and also to have these awards, as well. We've now seen the fruits of that effort, from one end of our country to the other and you're going to hear about some of the exemplary programs in just a few minutes.

I believe that this is part of the President's strong initiative to try to bring free enterprise and capital development to those parts of our country that are still left out. You know, we've done extraordinarily well thanks to the leadership of the President and the Secretary of Treasury and the others in the administration.

But we still have a ways to go in some of our inner- city neighborhoods in some of our rural areas, and in some of our Indian communities, particularly. So what we're trying to do is to say we want a multi-pronged strategy to provide economic opportunity to every American willing to work hard to achieve it on his or her behalf.

And no one understands the importance of the free enterprise system, and the need for us to spread its benefits to every American, than someone who has worked tirelessly over the past years to ensure that every American would have an opportunity to be successful. And it is my great honor and personal privilege to introduce to you the Secretary of the Treasury, Bob Rubin. (Applause.)

* * * * *

THE PRESIDENT: Thank you. Carol, you better watch it, before you know it you'll be running for office. (Laughter.) What a remarkable statement -- thank you so much.

I'd like to take a little -- a few moments more than I normally would by way of introduction today. Hillary and I and Bob Rubin are real happy today, because this is one of the things that I ran for President to do. To see these stories, to see the spirit, and to see the potential.

I want to thank Secretary Rubin. You know, I used to tell a joke about Bob Rubin. He's been here a long time now, and he left this fabulous career on Wall Street. And I used to tell everybody that I asked Bob Rubin to come to Washington in 1993 to help me save the middle class, and by the time he leaves he'll be one of them. (Laughter.)

SECRETARY RUBIN: That always seems a lot funnier to you, Mr. President. (Laughter.)

THE PRESIDENT: Yes. I don't know how much it's cost him to stay here these six years, but one of the reasons that I really wanted him to come is that when we -- even in the beginning, when we began talking about these matters in '92, he always said, you know, I'd like to get the economy going again and working again, and then we could maybe really do something for poor people in this country. Maybe we could really bring the spirit of enterprise to all these places that have been left behind.

I don't know how many Secretaries of the Treasury in our country's history have ever had that sort of driving passion. But I know we had one; and he's done a magnificent job. And I'm very grateful to him. (Applause.)

I want to thank Senator Harkin, Senator Kennedy, Senator Wellstone, Congressman Oberstar, Congresswoman Eleanor Holmes Norton for supporting this economic vision so strongly. I thank former Senator Riegle, who is here, who was the committee chairman who helped us to make this a critical part, this whole microenterprise, a critical part of our economic strategy way back in 1993.

I welcome Lieutenant Governor Sally Peterson from Iowa; we're delighted to have her here with her honorees. I want to thank our former OMB Director, Frank Raines; Mary Ellen Withrow, our Treasurer; Ellen Lazar and others who have supported our efforts here. A special word of thanks to Aida Alvarez and Betsy Myers and all the other members of her team from SBA who are here. And to Brian Atwood and Hattie Babbitt and the others from AID -- I believe that under our administration we funded 2 million of these small microenterprise loans, from Africa to Asia to Latin America, last year.

There's one group of people who have not been acknowledged -- and Hillary and I were talking about it -- who were out there ahead of the federal government for years, without whom microenterprise never would have really taken off in America, and that's all the members of the foundation community. I'd like to -- all the representatives of the foundations that are here that have supported microenterprise lending, I'd like to ask you to stand, please, and be acknowledged. Thank you. Thank you very much. (Applause.)

And I'll say more about this in a minute, but this whole issue has been a passion for the First Lady for, as she said, about 15 years. We had a friend who was working at the South Shore Bank in Chicago, which had a microenterprise loan program. We went there, we saw what they were doing.

Then in 1984 I was able to meet, here in Washington -- I was here at a governor's meeting, I'll never forget it. I got up early one morning and had breakfast with Muhammad Yunus, who had been trained as an economist in the United States and then gone to Bangladesh and set up the Grameen Bank. Hundreds of thousands of loans had been made -- market interest rates -- very tiny loans, almost all to poor village women. The repayment rate was better than the commercial banks in Bangladesh, and it changed my thinking about this forever.

And then Hillary scrounged up some foundation money, and other money, and I squeezed some out of the Arkansas legislature and we started a development bank with a microenterprise program in Arkansas. And after I became President, she literally has gone all across the world. She's been in small villages on every continent, where people like her never go.

And I should tell the rest of the story because I don't think President Museveni would object. I have the highest regard for the President of Uganda. He's one of the most intelligent and effective leaders of any developing country anywhere in the world. But when we were walking on this little rocky pathway into this village to see all these village women who now had their own businesses, he looked at me and he said, that's some wife you've got. He said, until you showed up here I didn't even know we had these programs in our country. (Laughter.)

So, without her we probably wouldn't be here today. And I'm very, very grateful for everything that Hillary has done to champion this cause. (Applause.)

I also want to say a word of appreciation to Carol and all the other small business owners here. It takes a lot of courage to run a small business. Hillary and I have talked about this a lot -- she talked to me about one time when she was a high school girl she worked in a small business in her home town, and there were days when no one came in. Every day, if you open a small business, you feel like politicians feel on election day. (Laughter.)

I'll never forget -- I can't remember, one of the great old Hollywood moguls said, you know, if you make a bad movie, the people will stay away and you cannot stop them. (Laughter.) Which I think is a great -- so I want to thank all of you for having the spirit of enterprise and the vision and the courage.

This whole country is basically built by entrepreneurs, whether they're

5

in Silicon Valley or young investment bankers in Manhattan or people running the street-vending operations out here for the tourists in Washington. The genius of actually being able to have an idea and act on it, and having people respond to it and invest in it and be your customers and, as Carol said, in a way validate your ideas, your character and your hard work, it's the whole secret of America.

And because of the strength of our economy, I believe we have an obligation to give that opportunity to everyone. Just this morning we learned that what is now the longest peacetime expansion in American history has grown longer. Last month our economy created nearly another quarter-million jobs, and unemployment stayed at 4.3 percent. That's the lowest peacetime rate since 1957. Wages now rising at over twice the rate of inflation; again, unemployment rates among Hispanic and African Americans dropped to their lowest recorded levels ever.

Now, if we cannot expand opportunity into every corner of America now, we will never get around to it. We have an obligation now to spread the spirit and the opportunity for enterprise to all the American people. As you've heard from others, we've been working on this for six years now -- working to bring opportunities to some of our most distressed communities, with an agenda of empowerment. That's what we celebrate here. Not a hand out, a hand up. This microenterprise program is the embodiment of empowerment.

We know -- and I was so glad to hear what Carol said about self-esteem, because sometimes a crisis of economic distress is a crisis of the spirit as well; a shortage of confidence that is just as debilitating as a shortage of cash. And these stories today -- I want all of you to imagine not only the economic success, but what it has done to these people's lives. There are stories like this all over America and all over the world.

What does it mean to a single mom's life when she goes to the mailbox in the morning and sees a bank statement instead of a welfare check? What does it mean to a child when he or she can go to school and say, when they ask, "What does your mother do for a living?" -- she owns a beauty shop? What does it mean to a neighborhood when, all of a sudden, an old building that has been vacant for 10 years has a "help wanted" sign out in front of it?

This is about more than economics. And through our network of community development banks -- or CDFIs, as we call them, community development financial institutions -- through the strengthened and streamlined Community Reinvestment Act -- and I will say that even though that act has been on the books for more than 20 years now, 95 percent of all the investment under Community Reinvestment has been done in the last six years, in our administration. And I'm proud of that. (Applause.) And the banks are doing quite well. (Laughter.) They're doing well by doing good. And it's important to remember as the debate develops this year about that. And through these empowerment zones, we've seen the steady expansion of opportunity.

Last month, as the Secretary said, I announced this new markets initiative, to spur even more private investment in under-served areas. And we want to reach -- building a bridge from Wall Street to Harlem to Appalachia, to the Mississippi Delta, to South Texas, to Pine Ridge, South Dakota -- everywhere there are opportunities still untapped.

Today I am proud to announce that, as a part of our budget, we would more than double our support for microenterprise in America. We would continue our -- (applause) -- thank you.

We also want to continue our efforts to promote microenterprise abroad, especially in the nations that have been hardest hit by the global financial crisis, or by our neighbors hit by natural disasters. And I think that is very important, because we are giving courage and awareness to other governments, and other countries, to do more for their own people in this regard.

First, we recognize that, for the vast majority of micro-entrepreneurs, good ideas and credit are just the beginning. A little guidance -- lessons on accounting, billing, planning -- those things are essential for any business to thrive in a complex economy. The budget doubles the Small Business Administration's capacity to provide such training through its micro-loan program, triples support for SBA's one-stop capital shops, which offer micro-lending advice and other assistance in disadvantaged communities. I'm also proud to support the bipartisan program for investments in micro-entrepreneurs -- the PRIME Act, sponsored by Senator Kennedy and Senator Domenici from New Mexico, Representatives -- (applause) -- and Representatives Rush, Leach and LaFalce, so that we can expand our technical assistance through the Treasury's CDFI fund.

Second, we want to make even more credit available to low-income Americans with good business ideas. That's why I'm proposing to leverage more than $75 million in new loans by doubling our support for the SBA's micro-loan program. (Applause.)

Third, we want to keep encouraging Americans to save some of their own hard-earned money, to start or expand businesses. Last year, I was proud to sign new individual development accounts into law, fulfilling a campaign pledge from 1992, and thanks in no small measure to the leadership of Senator Tom Harkin from Iowa and former Senator Dan Coats from Indiana. We thank you very much, Senators, for that. Thank you. (Applause.)

For those of you who don't know, these individual development accounts -- IDAs -- are special accounts that provide federal matching funds to low-income Americans who save money to invest in their business, buy a first home, pay for a college education. I want to double support for these accounts in our budget.

Next, we will continue to lead the world through USAID to promote microenterprise for millions of families to get out of poverty in other countries. The recent local financial crisis and the hurricanes in Central America and the Caribbean have literally upended the lives of tens of thousands, hundreds of thousands of people. As you have heard from the First Lady's account, we have seen firsthand how these loans -- sometimes in other countries loans as small at $10, $15, $25, $50 can make all the difference in helping families to get back on their feet.

Our balanced budget will target extra microenterprise assistance to the countries that are in trouble. And to break down the bureaucratic walls that block microenterprise in some developing countries, we'll continue to work with the World Bank and other financial institutions to reform the regulatory structures so we can make more of these loans available. There is a virtually unlimited potential abroad and at home for this, and I keep hoping if we just keep pushing and keep pushing and keep pushing we will reach a critical mass of investment which will explode it and let the whole world know that this works. (Applause.)

And this ceremony today is a part of letting the whole world know. So we come here not only to honor you with these Presidential Awards for Excellence in Microenterprise, but to say to the world that these six organizations whose vision and commitment have made such a profound difference in the lives of the business owners, their employees and their customers are but a small beginning of what we could achieve together in the United States and throughout the world if we work harder to make the economy work for ordinary citizens.

7

And so this, too, is a part of letting the whole world know. And when you come up here and get your awards I hope that you will not only feel enormous pride, I hope that you will not only feel an enormous sense of rededication to further success, I hope you will feel that you are sending a message to people who will see this all over America, or read about it in their newspapers. And you may be sparking someone else's conviction either that, A, they ought to set up one of these funds, or B, they ought to find one and get a loan.

And I believe that we will continue to see the steady march of progress here. This has the potential to revolutionize not only the lives of ordinary Americans, but the whole way we organize our economy here and around the world.

So, first: For excellence in the category of Access to Capital, the Microcredit Industry Rural Organization. Since 1987, MICRO has provided some $5.5 million in loans to more than 1,000 entrepreneurs living in rural Arizona's poorest Hispanic communities. Accepting this award is Executive Director Frank Ballesteros, and entrepreneur Maria Jesus Gaxiola, a former migrant farm worker who used a $1,500 loan to build her own cosmetics business -- and I might say, she's a remarkable walking advertisement for her success. (Laughter.) Please come up here. (Applause.)

Next, for excellence in Developing Entrepreneurial Skills, the Detroit Entrepreneurship Institute. Founded at Wayne State University, the Institute has worked to teach low-income clients the full range of business skills. Clients can also take advantage of a free computer center, a tax preparation service, and graphic design department to help launch and expand their businesses. Accepting this award is Cathy McClelland, the President and CEO; and Jackie Tucker, who started a successful catering business after training at the Institute. I'd like to ask them to come up now. (Applause.)

Also for excellence in Developing Entrepreneurial Skills, the Northeast Entrepreneur Fund of Virginia, Minnesota. (Laughter.) In the Iron Range, north of Duluth. Serving rural communities throughout a 20,000 square mile area, the Fund offers one-on-one counseling to clients, helping them to tailor their studies to specific needs. Accepting this award is the Fund's President, Mary Mathews; and our star speaker today -- (laughter) -- Carol Willoughby. (Applause.)

For excellence in Poverty Alleviation, the Institute for Social and Economic Development of Iowa. One of the earliest statewide microenterprise efforts in the nation, the Institute -- listen to this -- has helped 90 percent of its welfare clients free themselves from lives of dependency through self-employment.

Accepting this award today is John Else, founder and president; and entrepreneur Rhonda Auten, a former welfare recipient who started her own dance school with help from ISED. (Applause.)

(The award was presented.)

For excellence in private support for microenterprise development, the Corporation for Enterprise Development. For two decades -- through research, public advocacy and technical assistance to microenterprise organizations -- the Corporation has fostered so much of the progress we see today, including the success of three of this year's award winners. We are all -- including all of us in this administration -- profoundly indebted to the awardee, the Corporation, and its founder and chairman, Mr. Robert Friedman. (Applause.)

8

(The award was presented.)

For excellence in public support for microenterprise development, the Montana Microbusiness Finance Program. As part of the Montana Department of Commerce, this program has helped to launch or sustain a dozen microlending organizations serving communities throughout that vast and beautiful state. Accepting this award are program officer Robyn Hampton and entrepreneurs Kevin and Heidi Snyder, who used a microloan to start their racquetball and fitness centers. They are two walking advertisements for what they're doing, as you can see. (Laughter.) Come on up. (Applause.)

(The award was presented.)

Now, don't you feel better than you did when you got up this morning? (Laughter.) Isn't this great?

Henry Ford -- a small entrepreneur -- once said that the best Americans were those with "an infinite capacity to not know what can't be done." We honor today those kinds of Americans -- testaments to the power of enterprise, and the strength of the human spirit.

I ask you to leave here committed to work in the years ahead to bring this spirit, and this opportunity, to every corner of every community in our land and on our globe.

Thank you very much, and God bless you. (Applause.)

3:03 P.M. EST

END

2

I want to thank all of you, and the people you work with, for the extraordinary job you have done.

You know, many of us have heard about microenterprise over a number of years. Bill and I were trying to determine when we had heard about it -- and as we get older it seems harder to remember. (Laughter.) We think it was somewhere in the early '80s, somewhere between '84 and '86. And we had heard about this because it was an idea that had been transplanted from Bangladesh to the South Shore Bank in Chicago, a place that I am very familiar with. And I was very anxious to learn more about how microenterprise was transforming both rural areas, among some of the poorest people on our planet, and urban areas in our own city.

I have been, now, around our country and around the world, meeting with people who are the recipients of microenterprise awards. And I have been just struck, time and time again, by the heroic stories that they tell. I'll never forget the look of pride on the face of a woman I met from Guatemala, who told me that with the help of a small loan, she had gone from being a mango seller on the streets to owning a market stall, and eventually running a small business with 15 employees. So from the time she had started on the streets selling mangoes, to the age of 12, she had had a long, hard effort of a lot of work, but it paid off. And she told me with great pride that she was sending her son to college in the United States.

In Western India, I walked into a women's bank, which had only one room and the teller's counter was an old kitchen table and bank clerks transcribed all of the recorded transactions by hand on yellow sheets of paper. But while I was there I met women who walked 12 to 15 hours from remote villages to take out loans -- some as small as $1, to invest in dairy cows, plows or goods to sell at market. These women were among some of the poorest and least educated of all Indians. But their loan repayment rate was nearly 100 percent, and they told me what they had done with their loans and how that had transformed their lives, enabling them to give their children better housing, health care and other opportunities.

I was also very pleased last year in Africa when I accompanied the President and the President of the Uganda to a microenterprise site in a village some distance from the capital of Kampala. I don't think that a head of state had ever visited a village site of a microenterprise group, and I know that two heads of state at the same time have never done that. (Laughter.) And I was delighted that both the President and President Museveni had the same reaction that I always have -- a great deal of interest and a great deal of pride in what they were hearing on behalf of the people who were telling their stories.

But microenterprise had not only transformed lives abroad, they are transforming lives right here at home. I remember visiting the Mi Casa Microlending Program in Denver and speaking to a group of women who told me about how they had had good ideas, but they couldn't get any capital anywhere. One woman memorably remarked, you know, a lot of good ideas die in the parking lots of banks. (Laughter.) She said, you know, I knew I was a good baker, I knew I could open a bakery, I knew I could employ people -- but I didn't have any collateral and the amount of money that I wanted was below the lending limit of the bank. Well, thanks to microenterprise, she was doing what she had dreamed of.

The origin of these awards go back to the United Nations Fourth World Conference on Women in Beijing, when I pledged on behalf of the President and the administration a commitment to spread microenterprise and microlending through our nations; and also to have these awards, as well. We've now seen the fruits of that effort, from one end of our country to the other and you're going to hear about some of the exemplary programs in just a few minutes.

3

I believe that this is part of the President's strong initiative to try to bring free enterprise and capital development to those parts of our country that are still left out. You know, we've done extraordinarily well thanks to the leadership of the President and the Secretary of Treasury and the others in the administration.

But we still have a ways to go in some of our inner- city neighborhoods in some of our rural areas, and in some of our Indian communities, particularly. So what we're trying to do is to say we want a multi-pronged strategy to provide economic opportunity to every American willing to work hard to achieve it on his or her behalf.

And no one understands the importance of the free enterprise system, and the need for us to spread its benefits to every American, than someone who has worked tirelessly over the past years to ensure that every American would have an opportunity to be successful. And it is my great honor and personal privilege to introduce to you the Secretary of the Treasury, Bob Rubin. (Applause.)

* * * * *

THE PRESIDENT: Thank you. Carol, you better watch it, before you know it you'll be running for office. (Laughter.) What a remarkable statement -- thank you so much.

I'd like to take a little -- a few moments more than I normally would by way of introduction today. Hillary and I and Bob Rubin are real happy today, because this is one of the things that I ran for President to do. To see these stories, to see the spirit, and to see the potential.

I want to thank Secretary Rubin. You know, I used to tell a joke about Bob Rubin. He's been here a long time now, and he left this fabulous career on Wall Street. And I used to tell everybody that I asked Bob Rubin to come to Washington in 1993 to help me save the middle class, and by the time he leaves he'll be one of them. (Laughter.)

SECRETARY RUBIN: That always seems a lot funnier to you, Mr. President. (Laughter.)

THE PRESIDENT: Yes. I don't know how much it's cost him to stay here these six years, but one of the reasons that I really wanted him to come is that when we -- even in the beginning, when we began talking about these matters in '92, he always said, you know, I'd like to get the economy going again and working again, and then we could maybe really do something for poor people in this country. Maybe we could really bring the spirit of enterprise to all these places that have been left behind.

I don't know how many Secretaries of the Treasury in our country's history have ever had that sort of driving passion. But I know we had one; and he's done a magnificent job. And I'm very grateful to him. (Applause.)

I want to thank Senator Harkin, Senator Kennedy, Senator Wellstone, Congressman Oberstar, Congresswoman Eleanor Holmes Norton for supporting this economic vision so strongly. I thank former Senator Riegle, who is here, who was the committee chairman who helped us to make this a critical part, this whole microenterprise, a critical part of our economic strategy way back in 1993.

I welcome Lieutenant Governor Sally Peterson from Iowa; we're delighted to have her here with her honorees. I want to thank our former OMB Director, Frank Raines; Mary Ellen Withrow, our Treasurer; Ellen Lazar and others who have supported our efforts here. A special word of

4

thanks to Aida Alvarez and Betsy Myers and all the other members of her team from SBA who are here. And to Brian Atwood and Hattie Babbitt and the others from AID -- I believe that under our administration we funded 2 million of these small microenterprise loans, from Africa to Asia to Latin America, last year.

There's one group of people who have not been acknowledged -- and Hillary and I were talking about it -- who were out there ahead of the federal government for years, without whom microenterprise never would have really taken off in America, and that's all the members of the foundation community. I'd like to -- all the representatives of the foundations that are here that have supported microenterprise lending, I'd like to ask you to stand, please, and be acknowledged. Thank you. Thank you very much. (Applause.)

And I'll say more about this in a minute, but this whole issue has been a passion for the First Lady for, as she said, about 15 years. We had a friend who was working at the South Shore Bank in Chicago, which had a microenterprise loan program. We went there, we saw what they were doing.

Then in 1984 I was able to meet, here in Washington -- I was here at a governor's meeting, I'll never forget it. I got up early one morning and had breakfast with Muhammad Yunus, who had been trained as an economist in the United States and then gone to Bangladesh and set up the Grameen Bank. Hundreds of thousands of loans had been made -- market interest rates -- very tiny loans, almost all to poor village women. The repayment rate was better than the commercial banks in Bangladesh, and it changed my thinking about this forever.

And then Hillary scrounged up some foundation money, and other money, and I squeezed some out of the Arkansas legislature and we started a development bank with a microenterprise program in Arkansas. And after I became President, she literally has gone all across the world. She's been in small villages on every continent, where people like her never go.

And I should tell the rest of the story because I don't think President Museveni would object. I have the highest regard for the President of Uganda. He's one of the most intelligent and effective leaders of any developing country anywhere in the world. But when we were walking on this little rocky pathway into this village to see all these village women who now had their own businesses, he looked at me and he said, that's some wife you've got. He said, until you showed up here I didn't even know we had these programs in our country. (Laughter.)

So, without her we probably wouldn't be here today. And I'm very, very grateful for everything that Hillary has done to champion this cause. (Applause.)

I also want to say a word of appreciation to Carol and all the other small business owners here. It takes a lot of courage to run a small business. Hillary and I have talked about this a lot -- she talked to me about one time when she was a high school girl she worked in a small business in her home town, and there were days when no one came in. Every day, if you open a small business, you feel like politicians feel on election day. (Laughter.)

I'll never forget -- I can't remember, one of the great old Hollywood moguls said, you know, if you make a bad movie, the people will stay away and you cannot stop them. (Laughter.) Which I think is a great -- so I want to thank all of you for having the spirit of enterprise and the vision and the courage.

This whole country is basically built by entrepreneurs, whether they're

5

in Silicon Valley or young investment bankers in Manhattan or people running the street-vending operations out here for the tourists in Washington. The genius of actually being able to have an idea and act on it, and having people respond to it and invest in it and be your customers and, as Carol said, in a way validate your ideas, your character and your hard work, it's the whole secret of America.

And because of the strength of our economy, I believe we have an obligation to give that opportunity to everyone. Just this morning we learned that what is now the longest peacetime expansion in American history has grown longer. Last month our economy created nearly another quarter-million jobs, and unemployment stayed at 4.3 percent. That's the lowest peacetime rate since 1957. Wages now rising at over twice the rate of inflation; again, unemployment rates among Hispanic and African Americans dropped to their lowest recorded levels ever.

Now, if we cannot expand opportunity into every corner of America now, we will never get around to it. We have an obligation now to spread the spirit and the opportunity for enterprise to all the American people. As you've heard from others, we've been working on this for six years now -- working to bring opportunities to some of our most distressed communities, with an agenda of empowerment. That's what we celebrate here. Not a hand out, a hand up. This microenterprise program is the embodiment of empowerment.

We know -- and I was so glad to hear what Carol said about self-esteem, because sometimes a crisis of economic distress is a crisis of the spirit as well; a shortage of confidence that is just as debilitating as a shortage of cash. And these stories today -- I want all of you to imagine not only the economic success, but what it has done to these people's lives. There are stories like this all over America and all over the world.

What does it mean to a single mom's life when she goes to the mailbox in the morning and sees a bank statement instead of a welfare check? What does it mean to a child when he or she can go to school and say, when they ask, "What does your mother do for a living?" -- she owns a beauty shop? What does it mean to a neighborhood when, all of a sudden, an old building that has been vacant for 10 years has a "help wanted" sign out in front of it?

This is about more than economics. And through our network of community development banks -- or CDFIs, as we call them, community development financial institutions -- through the strengthened and streamlined Community Reinvestment Act -- and I will say that even though that act has been on the books for more than 20 years now, 95 percent of all the investment under Community Reinvestment has been done in the last six years, in our administration. And I'm proud of that. (Applause.) And the banks are doing quite well. (Laughter.) They're doing well by doing good. And it's important to remember as the debate develops this year about that. And through these empowerment zones, we've seen the steady expansion of opportunity.

Last month, as the Secretary said, I announced this new markets initiative, to spur even more private investment in under-served areas. And we want to reach -- building a bridge from Wall Street to Harlem to Appalachia, to the Mississippi Delta, to South Texas, to Pine Ridge, South Dakota -- everywhere there are opportunities still untapped.

Today I am proud to announce that, as a part of our budget, we would more than double our support for microenterprise in America. We would continue our -- (applause) -- thank you.

We also want to continue our efforts to promote microenterprise abroad, especially in the nations that have been hardest hit by the global

6

financial crisis, or by our neighbors hit by natural disasters. And I think that is very important, because we are giving courage and awareness to other governments, and other countries, to do more for their own people in this regard.

First, we recognize that, for the vast majority of micro-entrepreneurs, good ideas and credit are just the beginning. A little guidance -- lessons on accounting, billing, planning -- those things are essential for any business to thrive in a complex economy. The budget doubles the Small Business Administration's capacity to provide such training through its micro-loan program, triples support for SBA's one-stop capital shops, which offer micro-lending advice and other assistance in disadvantaged communities. I'm also proud to support the bipartisan program for investments in micro-entrepreneurs -- the PRIME Act, sponsored by Senator Kennedy and Senator Domenici from New Mexico, Representatives -- (applause) -- and Representatives Rush, Leach and LaFalce, so that we can expand our technical assistance through the Treasury's CDFI fund.

Second, we want to make even more credit available to low-income Americans with good business ideas. That's why I'm proposing to leverage more than $75 million in new loans by doubling our support for the SBA's micro-loan program. (Applause.)

Third, we want to keep encouraging Americans to save some of their own hard-earned money, to start or expand businesses. Last year, I was proud to sign new individual development accounts into law, fulfilling a campaign pledge from 1992, and thanks in no small measure to the leadership of Senator Tom Harkin from Iowa and former Senator Dan Coats from Indiana. We thank you very much, Senators, for that. Thank you. (Applause.)

For those of you who don't know, these individual development accounts -- IDAs -- are special accounts that provide federal matching funds to low-income Americans who save money to invest in their business, buy a first home, pay for a college education. I want to double support for these accounts in our budget.

Next, we will continue to lead the world through USAID to promote microenterprise for millions of families to get out of poverty in other countries. The recent local financial crisis and the hurricanes in Central America and the Caribbean have literally upended the lives of tens of thousands, hundreds of thousands of people. As you have heard from the First Lady's account, we have seen firsthand how these loans -- sometimes in other countries loans as small at $10, $15, $25, $50 can make all the difference in helping families to get back on their feet.

Our balanced budget will target extra microenterprise assistance to the countries that are in trouble. And to break down the bureaucratic walls that block microenterprise in some developing countries, we'll continue to work with the World Bank and other financial institutions to reform the regulatory structures so we can make more of these loans available. There is a virtually unlimited potential abroad and at home for this, and I keep hoping if we just keep pushing and keep pushing and keep pushing we will reach a critical mass of investment which will explode it and let the whole world know that this works. (Applause.)

And this ceremony today is a part of letting the whole world know. So we come here not only to honor you with these Presidential Awards for Excellence in Microenterprise, but to say to the world that these six organizations whose vision and commitment have made such a profound difference in the lives of the business owners, their employees and their customers are but a small beginning of what we could achieve together in the United States and throughout the world if we work harder to make the economy work for ordinary citizens.

PRESIDENT CLINTON:
CREATING OPPORTUNITY BY SUPPORTING MICROENTERPRISE

February 5, 1999

Today, President Clinton Unveiled the Administration's Domestic and International Microenterprise Agenda for FY2000 and Honored Recipients of the 1998 Presidential Awards for Excellence in Microenterprise Development. Long a passionate interest of both President Clinton and the First Lady, microenterprise has proven a powerful tool for empowering people left out of the economic mainstream, providing them the skills and credit they need to improve their own lives. President Clinton's FY2000 budget includes a 159-percent increase in support for domestic microenterprise programs, with a significant strengthening of the Administration's commitment for training and technical assistance -- an essential component on fully delivering the microenterprise promise. President Clinton's budget also continues to ensure that America provides global leadership on microenterprise through the U.S. Agency for International Development (USAID).

What Is Microenterprise? Microenterprise development programs provide access to capital, other financial services, and training to those traditionally bypassed by the mainstream financial sector, such as the poor, women, minorities, and those in areas of economic downturn. With these resources, these people can start and/or build businesses, creating jobs and opportunity. Recognized for the past twenty-five years as a powerful tool for development in poorer countries, microenterprise has been increasingly successful in providing opportunities in the United States. In this country, a microenterprise is generally defined as a business with five or fewer employees -- at least one of whom is the owner -- and that has a demand for small amounts of credit (less than $25,000).

A 159-Percent Increase in Overall Budget To Support Microenterprise At Home. President Clinton's domestic microenterprise agenda recognizes that in the new economy, simply providing credit to microentrepreneurs is often not enough. Microentrepreneurs often need training and mentoring to help them succeed, and microenterprise organizations need technical assistance to build their capacity and enhance their effectiveness. This year, the Administration seeks to dramatically increase its support for these critical services, nearly tripling funding for training and technical assistance. This year's budget also focuses on leveraging new resources through Individual Development Accounts, and on making microenterprise and other resources more widely available through the Small Business Administration's (SBA) One-Stop Capital Shops. Specifically, the President's plan includes:

- **$15 Million To Support The Program for Investments in Microentrepreneurs (PRIME) Act.** The bipartisan PRIME Act -- introduced by Senators Kennedy and Domenici and Representatives Rush, Leach and LaFalce -- authorizes the Community Development Financial Institutions (CDFI) Fund to establish a microenterprise technical assistance and capacity building program to award grants on a competitive basis to microenterprise development organizations and programs that focus on low-income entrepreneurs. PRIME will also sponsor research on the most innovative and successful ways of encouraging new businesses and enabling them to succeed. PRIME, like all other CDFI programs, will leverage non-federal funding with federal dollars by requiring that all assistance be matched. The PRIME Act authorizes an appropriation level of $105 million over four years, starting with $15 million in FY2000. The President's FY2000 budget includes $15 million for PRIME within CDFI, which the President proposes to expand from $95 million in FY99 to $125 million in FY2000.

- **Double Support For Technical Assistance in SBA Microloan Program.** Key to the success of the SBA Microloan Program has been its capacity to link loans to entrepreneurs with the provision of training and technical assistance. The Administration's FY 2000 budget seeks to double funds devoted to training and technical assistance from $16 million in FY99 to $32 million in FY2000.

- **Double Support for SBA Lending To Leverage Over $75 Million In New Micro-Loans.** The SBA Microloan program makes loans to microfinance development organizations, which in turn re-lend the funds to small businesses. Over the last seven years, well over 100 organizations have participated in the program, making over $78 million in loans to more than 7,800 microentrepreneurs. The average loan to a business is roughly $10,000, and the SBA has not incurred a single loss in that time period. The President's FY2000 budget doubles support for the SBA Microloan Program, from $3 million in FY99 to $6 million in FY2000 -- which should help leverage over $75 million in new loans.

- **Double Funding for Individual Development Accounts (IDAs).** Since 1992, President Clinton has supported the creation of Individual Development Accounts (IDAs) to empower lower-income individuals to start a new business, invest in a first home, or save for post-secondary education. Low-income families will receive matching contributions of between $1 and $8 for each dollar they save in an IDA. Last year, President Clinton signed legislation authorizing IDAs. The President's FY2000 budget doubles support for IDAs, increasing the IDA budget from $10 million in FY99 to $20 million in FY2000.

- **Triple Funding for SBA's One-Stop Capital Shop Initiative.** One-Stop Capital Shops offer financial and training/mentoring services and products -- microenterprise development, personal finance, even credit repair -- in Empowerment Zones to communities and individuals often passed-over by economic booms. SBA is committed to providing a microloan presence in every One-Stop Capital Shop, and will provide office space at each Shop for microloan intermediaries. The President's FY2000 budget proposes to triple funding for the One-Stop Capital Shop Initiative, from $3.1 million in FY99 to $10 million in FY2000.

PRESIDENT CLINTON'S FY2000 BUDGET:
A 159-PERCENT INCREASE IN MICROENTERPRISE

	FY1999	FY2000	Percent Increase
PRIME Act	--	$15 million	n.a.
SBA Training and Technical Assistance	$16 million	$32 million	100%
SBA Lending	$3 million	$6 million	100%
Individual Development Accounts	$10 million	$20 million	100%
SBA One-Stop Capital Shop	$3.1 million	$10 million	223%
TOTAL	**$32.1 million**	**$83 million**	**159%**

Microenterprises

Microenterprise Industry

The general philosophy of the microenterprise industry is to bring new sources of income to segments of the population where job opportunities are low by combining small amounts of credit with business management skills. A microenterprise is generally a sole proprietorship that has fewer than five employees, has not had access to credit from commercial banks, and can initially use a loan in an amount under $15,000. Most microenterprises are actually much smaller, with less than three employees, and the majority of microbusinesses are operated by the owner alone.

There are two types of microenterprise assistance programs. Microenterprise *practitioners* provide loans, training, and technical assistance directly to microentrepreneurs. Microenterprise *practitioner support* organizations generally act as intermediaries that provide a range of services to the practitioners such as program planning and design, training, research, program evaluation, and assistance in funding access. Most programs rely on a combination of federal, state, and local funding sources, both public and private.

The Aspen Institute's 1996 Directory of Microenterprise Programs lists 328 U.S. microenterprise programs in forty-six states and the District of Columbia, which is an increase over the 195 programs listed in the 1994 Directory. The 1996 Directory states that, in 1995, 266 practitioner programs served 52,518 individuals, of which 9,605 were borrowers who received $35,508,657 in loans. The remaining 42,913 individuals were non-borrowers who received training or technical assistance.

Existing Programs

Microenterprise-related programs are dispersed throughout various agencies of the federal government. The Small Business Administration (SBA) conducts the Microloan Demonstration Program, which provides loans and grants to microenterprise intermediaries, and the Women's Business Demonstration Program, which provides assistance to women entrepreneurs who are economically disadvantaged. Additional microenterprise programs are administered through the Department of Health and Human Services (HHS), Department of Housing and Urban Development (HUD), and Department of Labor, Department of Agriculture, and Department of Commerce.

An interagency committee, which met for the first time in July, was established by the Administration to coordinate microenterprise activities in the federal government. Agencies represented on the committee include HHS, HUD, Federal Deposit Insurance Corporation, Federal Reserve, Office of the Comptroller of the Currency, National Credit Union Administration, Office of Thrift Supervision, National Women's Business Council, SBA, Department of the Treasury, Community Development Financial Institutions (CDFI) Fund, Department of Agriculture, and Department of Commerce. Objectives of the committee include: 1) developing an interagency directory of microenterprise programs and resources 2) addressing interagency reporting and document standardization; and 3) addressing common policy concerns and whether additional federal legislation is needed.

Self-Employment Learning Project

Proponents of microenterprise programs recognized a need to gather and analyze data on the effectiveness of such programs. In response, the Self-Employment Learning Project (SELP) was established by the microenterprise support organization community in 1991 to document and evaluate microenterprise program strategies and the benefits of program services to clients and their businesses over time.

Over a five year period, SELP conducted a study using a sample of 405 microentrepreneurs who received assistance from microenterprise programs. Major findings from the study include:

- Survival rates for the microenterprises surveyed were seventy-eight percent after two years and fifty-seven percent at the end of the five-year survey period.
- On average, the microbusinesses were growing and profitable. For entrepreneurs whose businesses were still operating at the end of the five years, average revenues increased by twenty-seven percent.
- For entrepreneurs whose businesses were still operating at the end of the five years, average business assets increased by $16,427 and business net worth increased by $17,344.
- In the case of entrepreneurs whose businesses were still operating at the end of the survey period, the average number of jobs per business grew from 2.3 at the end of year one to 2.7 at the end of year five.
- The percentage of survey respondents receiving means-tested government benefits dropped from twenty-four percent to seventeen percent over the five-year period, while the level of means-tested government benefits received per respondent dropped from $1,460 to $939, on average.

SELP also conducted case studies on the operations of seven microenterprise programs based on data gathered from 1992 through 1994. The study showed that the programs have experienced periods of serious delinquency and loan loss, which prompted a response by the programs to tighten loan policies and procedures, build incentives and disincentives for borrowers, and develop more timely methods to track and respond to delinquencies. The study found that portfolio performance for the programs generally can be characterized as one of the following:

- Programs that have experienced peak moments of instability and subsequently gained greater control over their portfolios;
- Programs that are working to address situations of difficulty in their portfolios, which could include factors such as funding instability, changes in leadership, and initial

borrower selection mistakes; and

- Programs that maintain generally even performance.

The study concluded that losses experienced by the programs "do not appear to be unreasonable, and their cumulative losses are surprisingly creditable. To the extent that microenterprises view their role as that of investors in building new entrepreneurs and businesses, losses will be concomitant to their operations. The tension remains in playing that role in a way that does not undermine the continuance of the program."

SELP's study identified several challenges that the microenterprise industry faces in the future. First, there is a need for greater stability in program funding. Programs face continued struggles to raise the funding required to maintain their operations without staff lay-offs or resorting to reductions in components of program operations. Second, the microenterprise field needs to create performance measures -- such as client to staff ratio, cost per loan, cost per business start, or cost per job -- that can be used by all programs to measure their effectiveness over time. Third, SELP found that although the grass-roots, diverse nature of the U.S. microenterprise field is consistent with our nation's traditions of local initiatives and local control, the lack of a clear or compelling single methodology appears to have hindered the development of best practice management policies, staff skills, and methodologies. In general, programs have had to develop their own specialized business training curricula, and have experimented with a range of loan underwriting, monitoring, and servicing criteria and practices. Fourth, SELP identified a need to support institutions that can provide for advancement of the overall practice and field of microenterprise development.

Activity in the 105th Congress

In the 105th Congress, Representative Bobby Rush introduced H.R. 4179, the "Program for Investments in Microentrepreneurs Act of 1998" (PRIME Act). Senators Domenici and Kennedy introduced the companion bill in the Senate (S. 2190). Under the PRIME Act, the CDFI Fund would be authorized to establish a microenterprise technical assistance and capacity building grant program.

Currently, the CDFI Fund makes grants to qualified CDFIs for the purpose of community development in economically distressed areas. To be a qualified CDFI, an entity must have a primary mission of community development, provide loans or equity investments, serve a defined investment area or targeted population, and be primarily a financing entity. Each CDFI Fund dollar must be matched with a private sector dollar. The PRIME Act would allow the CDFI Fund to award grants to nonprofit microenterprise development organizations, programs, collaboratives, or intermediaries, but these organizations would not have to be a qualified CDFI. H.R. 4179 provides matching requirements by private sector funds equal to fifty percent of each dollar provided by the CDFI Fund. PRIME Act funds could be used by an organization to:

- provide training and technical assistance to low income and disadvantaged entrepreneurs interested in starting or expanding their own business;

- engage in capacity building activities targeted to microenterprise development organizations that serve low income and disadvantaged entrepreneurs; and

- support research and development activities aimed at identifying and promoting entrepreneurial training and technical assistance programs that effectively serve low income and disadvantaged entrepreneurs.

On September 23, 1998, the full committee held a hearing on issues surrounding the PRIME Act. The hearing focused on the role of the microenterprise industry in the U.S. economy and the potential benefits, such as job creation and poverty alleviation, that microenterprise development can provide.

The PRIME Act did not advance in the legislative process, largely due to time constraints at the end of the 105th Congress. Due to the strong advocacy by the microenterprise community as well as the bi-partisan support that the PRIME Act enjoyed, the legislation, in all likelihood, will be revisited in the 106th Congress.

For additional information on this issue, please contact Alison Watson at 5-2258.

U.S. Senate

Washington D.C.

United States Senator
Edward M. Kennedy
Office of Economic Policy
622B Hart Senate Office Building
Phone: (202)224-5465
Fax: (202)228-0494

To: Lisa Green

From: Sheila F. Maith

Fax#: 456-2223

# of pages including this page: 3

Comments:

AG PRIME

Association for Enterprise Opportunity (AEO)

What are the differences between the SBA Microloan Program and PRIME?

CREDIT vs TECHNICAL ASSISTANCE - The principal difference between the SBA's Microloan Program and PRIME - is that the SBA program is a microcredit program focused on making small loans available to viable microbusinesses while PRIME is focused on providing technical assistance to low income entrepreneurs. PRIME will not provide any loan capital to entrepreneurs.

The SBA Microloan Program is principally a microcredit program focused on making loans of under $25,000 available to viable microentrepreneurs who are unable to access credit from conventional financial institutions. The SBA program works through a network of local non-profit intermediaries and since it's inception in 1991 has made over 7,800 microloans totaling close to $80 million to microentrepreneurs around the country.

While the SBA makes technical assistance grants to their lending intermediaries, these grants are used to provide marketing, management and technical assistance to their microloan borrowers. In addition to the the 107 lending intermediaries administering the program, SBA funds 25 technical assistance providers whose charge is to assist entrepreneurs and prospective entrepreneurs to access capital from banks or other loan funds. But again, SBA technical assistance funds are only intended to assist entrepreneurs access capital.

PRIME is not a microcredit program - PRIME will provide training and technical.assistance to low income entrepreneurs or prospective entrepreneurs. While access to credit is extremely important to microentreprenurs, data now shows that the need for entrepreneurial training and technical assistance is greater - especially for low income individuals who require higher levels of intensive technical assistance, training and support. Experience has shown that many low income entrepreneurs are in fact reluctant to borrow, particularly in the early stages of business development. The availability of adequate technical assistance and training support is essential to help these entrepreneurs achieve their potential.

A 1996 survey of 266 microenterprise development programs conducted by the Aspen Institutes in collaboration with the Association for Enterprise Opportunity (AEO) revealed that 68% of the microenterprise development programs provide both lending and technical assistance and 27% provide only technical assistance and training. However, there is no federal program that specifically supports such training and technical assistance needs of microentrepreneurs.

LOW INCOME TARGETING - PRIME funds will be targeted to low income and very low income entrepreneurs. While all PRIME funds must meet the current CDFI targeting requirements (80% median income/20% poverty) 50% of the funds appropriated to PRIME each year must be used to benefit people that are at or below 150% of poverty. (family of 4 with an income of $23,354)

AEO 70 East Lake Street, Suite 1120, Chicago, IL 60601

In contrast, the SBA Microloan Program is targeted to entrepreneurs who are unable to access loans from conventional sources. While many of the SBA's microloan borrowers are low income, SBA microloan intermediaries are not required to target their loans to very low income individuals. This is none the less important for two reasons. First many entrepreneurs with viable business ideas are unable to access loans from conventional banks for a variety of reasons; women and minorities face barriers; other entrepreneurs lack sufficient collateral; the size of their credit needs are too small; and start-ups are often considered too high risk. The SBA Microloan Program is designed to meet the needs of a broad range of entrepreneurs who cannot otherwise secure a business loan.

Secondly, while SBA Microloan Intermediaries borrow funds from SBA to capitalize their loan funds, these funds must be repaid to the SBA (loans are made at the 5 yr T-bill rate with a 10 year term). SBA Microloan Intermediaries are making loans to entrepreneurs that other lenders have turned down because by conventional standards these are seen as "high risk" non-cost effective loans. Despite the risk involved in microlending, the average SBA Microloan Intermediary maintains a default rate of between 1-5%. The SBA Microloan Program reaches a critical sector of viable small businesses - but they are not necessarily the same low income population of entrepreneurs that the PRIME program is intended to serve.

PRIME and the SBA Microloan Program are two different but complimentary ways to release the full potential of microentrepreneurs.

BUILDING THE CAPACITY OF COMMUNITY BASED INSTITUTIONS - While the SBA's focus is on supporting the development of businesses, the CDFI fund is focused on supporting the growth of community based institutions, both CDFIs or microenterprise development organizations, so that they that can effectively generate wealth in poor communities.

The microenterprise development industry has grown dramatically over the last decade and there is a strong demand for training and support activities targeted to the growing number of community based microenterprise programs. Ten years ago microenterprise development was considered the province of several dozen struggling community programs. Today it is estimated that more than 350 organizations operate microenterprise programs across the country. These programs have proven that low income people can be successful entrepreneurs.

Despite the growing demand for microenterprise development services, there is no federal program that invests in developing and strengthening community based, microenterprise development organizations.

PRIME's capacity building activity will serve to strengthen the growing field of microenterprise development organizations and in particular to ensure that these community based institutions can effectively provide technical assistance and training to low income entrepreneurs. The capacity building activity under PRIME stands to benefit the entire field and, by extension, the intermediaries supported under the SBA Microloan Program.

PRIME will enable the CDFI Fund to put its capacity building expertise to use in assisting microenterprise development organizations to build their institutional strength in serving low income entrepreneurs and prospective entrepreneurs.

DEPARTMENT OF THE TREASURY
Office of Legislative Affairs and Public Liaison
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220
(202) 622-1900
(202) 622-0534 (Fax)

TO: Lisa Green

Addressee's fax number: 456-2223

FROM: Marne Levine

DATE: 9/27/99

Number of pages to follow: ___

COMMENTS: ___

pls fax to Rosen + Sarah Green in prep for 5:30pm call
Thanks
-Marne Levine

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

October 8, 1998

Mr. John Gray
Associate Deputy Administrator
Small Business Administration
409 3rd Street, SW
Suite 8200
Washington, DC 20416

Dear Mr. Gray:

With respect to implementation of the PRIME Act, should it be enacted, and subject to the views of the authorizing and appropriations committees and applicable law, this memorandum is to confirm that it is the CDFI Fund's intent to implement the Act in such a way as to provide additional consideration to qualified organizations that have been previously selected for an award under the Small Business Administration's Micro-Loan Program.

To that end, we would support report language to accompany the PRIME Act, along the lines of the following:

"In implementing the PRIME Act, it is the Committee's expectation that, although the Administrator of the Fund shall have sole discretion in the selection of applications for assistance under this subtitle, in evaluating such applications, the Administrator shall accord additional consideration to those applications from qualified organizations serving low income micro-entrepreneurs that have been previously selected for participation in the program established by section 7(m) of the Small Business Act (15 U.S.C. section 636(m))."

We look forward to working with the SBA on this important new initiative

Sincerely,

Ellen Lazar
Ellen Lazar
Director
Community Development Financial Institutions Fund

Michael S. Barr
Michael S Barr
Deputy Assistant Secretary
Community Development Policy