

12-17-1958

Financial Aid to Small Business

Follow this and additional works at: https://ecommons.udayton.edu/news_rls

Recommended Citation

"Financial Aid to Small Business" (1958). *News Releases*. 188.
https://ecommons.udayton.edu/news_rls/188

This News Article is brought to you for free and open access by the Marketing and Communications at eCommons. It has been accepted for inclusion in News Releases by an authorized administrator of eCommons. For more information, please contact frice1@udayton.edu, mschlangen1@udayton.edu.

FINANCIAL AID TO SMALL BUSINESS

Proposal applications are now being received from those intending to form Small Business Investment Companies under provisions of the Small Business Investment Act of 1958. Mr. Arthur Armstrong, Chief of the Financial Assistance of the Small Business Administration, Cleveland Regional Office, appearing on the program of a Small Business Management Course conducted by the University of Dayton, outlined the main provisions of the Act.

Small Business Investment Companies may be organized by interested parties with a minimum capitalization of \$300,000. Up to 50% of this amount will be made available by the Small Business Administration at nominal interest. Groups satisfying the requirements of the Small Business Administration and the Securities Exchange Commission will be licensed to operate as Small Business Investment Companies and will be entitled to certain tax advantages.

In addition to assistance with initial capitalization the Act makes it possible for the Small Business Administration to make loans to licensed Investment Companies in amounts up to 50% of invested capital and surplus. The purpose of the law, according to Mr. Armstrong, is to facilitate the organization of private sources of risk capital and long-term loans for small business enterprises. It is anticipated that the program will fill a financing vacuum and prove a boon to small organizations which have long experienced difficulty in financing growth and expansion.

Individuals and groups interested in the possibility of organizing Investment Companies should consult with the Cleveland Office of the Small Business Administration. Small business enterprises interested in obtaining long-term loans will apply to the Investment Companies, not to the Small Business Administration, according to Mr. Armstrong.