

**FOR IMMEDIATE RELEASE – September 28, 2010**

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Washington, D.C. – **Reps. Brad Miller (NC-13), David Price (NC-4), Larry Kissell (NC-8) and Joe**

**Baca (CA-43)**

introduced H.R.6191, a bill that would modify the Small Business Jobs and Credit Act of 2010 to allow healthy lending institutions to extend credit for residential construction and land development to U.S. homebuilders.

Currently, home construction loans are excluded from the eligible pool of lending in the new lending fund created by the Small Business Jobs and Credit Act of 2010. But, there are many markets around the country where there is a real demand for new housing. Homebuilding has been 16 percent of our economy's GDP and the inventory of new housing is at a 42-year low. The inability of qualified homebuilders with viable projects in strong demand to obtain loans is preventing a stronger recovery.

"Because of foolish real estate lending a few years ago, many community banks are under great pressure from banking regulators to scale back all real estate lending, including sensible projects where there is a market for new housing," **Rep. Miller** said. "Community banks are even calling in performing acquisition, development and construction loans."

H.R. 6191 attempts to remove barriers to lending where housing demand is strong and land development would create new jobs.

"The construction industry is a consistent source of jobs for the American people," said **Rep. Baca**

"Unfortunately, the housing market crash has had a devastating impact on the home building industry in my area of California and thousands of other communities across our nation. I thank my colleague, Rep. Brad Miller, for working to advance this critical legislation – which helps target vital small business lending assistance to America's housing industry, a proven source of new job creation."

"In North Carolina, the construction industry has been our state's hardest hit sector," **Rep. Kissell**

said. "Our construction industry suffered an 18 percent job loss during the recession. I'm proud to be sponsoring this bill to help them recover, which will help our entire economy recover."

The Small Business Lending Fund Act will establish a \$30 billion fund to boost lending to small businesses looking to hire and expand their operations by providing additional capital to community banks. The program, which is completely unrelated to TARP, mandates accountability and oversight by Congress, the GAO, and the Treasury Department's Inspector General. The provision would apply only to loans made to "small business concerns," as determined by the Treasury and the Small Business Administration.

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