

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 439

S. P. 163

In Senate, February 16, 1977

Referred to the Committee on State Government. Sent down for concurrence and ordered printed.

MAY M. ROSS, Secretary

Presented by Senator Curtis of Penobscot.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT to Increase the Statutory Limit on Single Loans Made by the Maine Veterans Small Business Loan Authority Board from \$15,000 to \$25,000.

Be it enacted by the People of the State of Maine, as follows:

37-A MRSA § 48, sub-§ 5, as enacted by PL 1973, c. 600, § 1, is amended to read:

5. **Principal obligation; limit.** Involve a principal obligation not to exceed ~~\$15,000~~ \$25,000;

STATEMENT OF FACT

The Maine Veterans Small Business Loan Authority was established by the 106th Legislature to provide an opportunity for veterans to establish their own small businesses. The guarantee of 80% of loans up to \$15,000 encourages lenders to provide venture capital that would not otherwise be provided. This program, in effect, recognizes in a tangible way the special service and sacrifice made by Maine veterans. The new businesses created under this program have enhanced the overall economy of the State as well as making new job opportunities.

The ceiling of an individual loan of \$15,000 is proving to be inadequate on many loans in the inflationary economy of today. It is believed that \$25,000 is a more realistic limit and would provide for additional worthy projects of veterans that cannot be authorized now under the \$15,000 limit.

Passage of this bill will not require any additional direct funding or added cost to the State.