February 24, 2009

Good morning Senator Duff, Representative Barry.

My name is Samuel C. Hamilton and I am the Executive Director and CEO of the Hartford Economic Development Corporation. Hartford Economic Development Corporation is a 501 © (3) Non profit organization which provides technical and financial assistance to micro enterprises and small businesses in the City of Hartford and 106 other Municipalities in the State of Connecticut since 1975.

It is my pleasure to come before you this morning to speak in favor of Raised Bill No.6395. The Bill addresses the key components for the creation of economic development strategy that will enhance the vitality of small businesses, retain and create jobs, strengthen communities through increased tax revenue and by leveraging private investment. In addition, I would propose the inclusion of the attached language which encourages the utilization of proven alternative lenders like HEDCo to participate in the development, implementation and administration of strategies that will reach the unserved or underserved market by the traditional lending market. HEDCo and other "Alternative Lenders" have been extremely successful in serving the needs of this market niche especially during credit crisis's similar to those experienced in the latter portion of the 80's and the mid 90's. I believe when combined with the Banks, the cadre of alternative lenders assured that all of Connecticut businesses are served.

Thank you for the opportunity to present my comments to you today. I wish you all the best in reaching a positive outcome for this proposed legislation.

P:2009 doc/drafts/public hearing comments raised bill no 6395

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Hartford Economic Development Corporation
HEDCO
Sam Hamilton, Executive Director & CEO
2009 Session

PROPOSED Substitute Language

In order to make certain that small and micro enterprise entrepreneur have access to funds available from the economic recovery effort, Alternative and Micro Enterprise lenders should be utilized. These specialized lenders, such as HEDCo, have experience in providing business financing and support services that are not available from the traditional lending market. Their unique capacity allows the incubation of businesses that are viable entities but do not meet standards of commercial lenders who must comply with federal regulations, which restrict their ability to lend in this market.

It would seem that any recovery effort must include access to capital for micro, emerging and small business to be totally effective. Those best suited to serve the unique markets are alternative lenders who have a track record of doing this effectively through prior economic downturns and enabling access to capital to individuals seeking self sufficiency thru entrepreneurship.