



STATE OF CONNECTICUT  
DEPARTMENT OF BANKING  
260 CONSTITUTION PLAZA – HARTFORD, CT 06103-1800



**TESTIMONY SUBMITTED TO THE COMMERCE COMMITTEE**

**Jorge L. Perez, Commissioner**

March 1, 2016

***HB 5045 – An Act Concerning Revisions To The Small Business Express Program***

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Chairman Hartley, Chairman Perone, Ranking Members Frantz and Camillo, and members of the Committee. My name is Jorge L. Perez and I am the Commissioner of the Department of Banking. Thank you for the opportunity to voice my support for HB 5045: An Act Concerning Revisions to the Small Business Express Program.

The Small Business Express (EXP) program, created during the 2011 Jobs Special Session, has been a successful program, creating and retaining jobs in every Connecticut community. In the wake of the great recession, small businesses struggled to stay afloat and the Small Business Express program provided the crucial capital that allowed those businesses to expand, hire new employees, add new, innovative processes and continue as the lifeblood of our economy. I have been informed that the EXP program has assisted more than 1,500 small businesses, created 5,762 jobs and retained 16,526. I would like to congratulate my colleague, DECD Commissioner Catherine Smith, on the program's success and commend her on her efforts to expand EXP to underserved populations in urban, suburban and rural communities.

Since EXP's creation in 2011, Connecticut has recovered all of the jobs that it lost during the great recession. Businesses are once again accessing loans from Connecticut banks and those banks regularly express an eagerness to be a part of the growth of our state's economy. HB 5045 provides the authority to DECD to include Connecticut banks in supporting that growth and it allows us to stretch state dollars further towards that end. This bill allows the Commissioner of DECD to create a loan fund that will act as a state guarantee of a Connecticut bank's loan. Rather than making the entire loan with taxpayer dollars, DECD would guarantee a percentage of the Connecticut bank's loan, putting less state money at risk while supporting the bank in making a loan that it may not have made otherwise. In my regular meetings with Connecticut banks, those institutions have expressed their enthusiasm for a partnership between the state and banks to support Connecticut businesses. This bill is an additional step in that partnership.

I look forward to working with Commissioner Smith and the DECD on this initiative and others going forward. The Department of Banking, as a regulator, will not have any direct role in implementing this should it pass, but we look forward to making our partners in the private sector aware of this important opportunity to support Connecticut businesses. Thank you.