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## **White House Announces New Capital Program to Boost Small Business Lending**

The White House has announced a new capital program (the “Program”) to boost small business lending by community banks. Viable banks with less than \$1 billion in assets would be eligible for participation in the Program. Participants will be required to submit a small business lending plan explaining how the capital will allow them to increase lending to small businesses. In addition, participants will be required to submit quarterly reports detailing their small business lending activities.

Subject to regulatory approval, participants will be eligible to receive new capital at an initial dividend rate of 3% (compared to 5% under the Capital Purchase Program), which will increase to 9% after five years to encourage timely repayment. Participants will be eligible to receive this capital totaling up to 2% of risk-weighted assets.

The U.S. Treasury will work with community banks and small businesses in the following weeks to develop more detailed Program terms.

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