

WASHINGTON (January 20) - During his State of the Union address next week, President Obama should call on the Senate to pass legislation that helps small businesses access capital so they can create jobs, said Congressman Spencer Bachus (AL-6), who serves as Chairman of the House Financial Services Committee.

Four bills that originated in the Financial Services Committee and later passed the House would make it easier for small businesses to access capital, but the Senate has yet to take action on the proposals. Those four bills join more than two dozen other jobs bills that have been approved by the House but are stuck in the Senate.

“President Obama has a golden opportunity during his speech to call for an end to the ‘Senate stall’ so these bipartisan bills can become law and help create jobs,” said Chairman Bachus. “For the sake of the millions of Americans who desperately need jobs, he shouldn’t let this opportunity slip through his fingers.”

Each of the four Financial Services Committee bills gained overwhelming bipartisan support when they were considered by the House in early November. The bills would eliminate government regulatory barriers to small business capital formation and create new sources of capital for small business investments and hiring. Summaries of the four capital formation bills follow:

H.R. 2940, the Access To Capital For Job Creators Act. □ Approved by the House 413-11.

H.R. 2940, introduced by Rep. Kevin McCarthy, removes a regulatory ban that prevents small businesses from using advertisements to solicit investors. The bill was approved by the Financial Services Committee on October 26 and by the House 413-11 on November 3. H.R. 2940 allows small companies offering securities under Regulation D to utilize advertisements or solicitation to reach investors and obtain capital. The SEC’s ban on solicitation, first adopted in 1982, limits the pool of potential investors and severely hampers the ability of small companies to raise capital and create jobs.

H.R. 2930, the Entrepreneur Access To Capital Act. □ Approved by the House 407-17.

H.R. 2930, introduced by Rep. Patrick McHenry, removes SEC restrictions that prevent “crowdfunding” so entrepreneurs can raise equity capital from a large pool of small investors who may or may not be considered “accredited” by the SEC. The bill was approved by the

Financial Services Committee on October 26 and by the House 407-17 on November 3. H.R. 2930 allows companies to pool up to \$1 million from investors without registering with the SEC or up to \$2 million if the company provides investors with audited financial statements. Individual contributions are limited to \$10,000 or 10 percent of the investor's annual income, whichever is less.

H.R. 1070, the Small Company Capital Formation Act. Approved by the House 421-1.

H.R. 1070, introduced by Rep. David Schweikert, makes it easier for small businesses to go public by increasing the offering threshold for companies exempted from SEC registration from \$5 million to \$50 million. The SEC has the authority to raise this threshold but has not done so for almost two decades. H.R. 1070 was approved by the Financial Services Committee on June 22 and by the House 421-1 on November 2. Amending Regulation A to make it a viable channel for small companies to access capital will permit greater investment in these companies, resulting in economic growth and jobs.

H.R. 1965. Approved by the House 420-2.

H.R. 1965, introduced by Rep. Jim Himes, modifies regulations concerning registration and deregistration of small bank holding companies. H.R. 1965 would raise the bank shareholder threshold for SEC registration from 500 to 2,000. The threshold has not been adjusted since 1964. The legislation was approved by the Financial Services Committee on October 26 and by the House 420-2 on November 2.