



Statement

Regarding SBA Announcement Regarding Loans to Automobile Dealerships

May 1, 2009

The National Association of Minority Automobile Dealers (NAMAD) today congratulated the SBA Administrator Karen Mills on her confirmation. NAMAD commended the Administrator for her quick action to provide assistance to the nation's hard pressed automobile dealers.

NAMAD has long advocated significant liberalization of outdated SBA regulations and rules to help automobile dealers, particularly minority automobile dealers. The new but temporary modifications are expected to provide some financial assistance to automobile dealers as a result of the change in size standards.

The SBA definition of a small business for automobile dealerships has been based upon gross annual receipts. The temporary SBA standard is based upon total net assets and net worth. NAMAD expects the changes will benefit more than half of the minority dealers in the United States. Damon Lester, NAMAD President urges the financial institutions to honor the new standards, government backed loan guarantees, expedite loan applications and to proceed aggressively to open the loan window for minority automobile dealers.

For more information please contact Damon Lester, President at 301-306-1614 or via email at damon.lester@namad.org.