

FISCAL NOTE

June 1, 2023

Bill No:	SB 248	Printer's No:	212	Sponsor:	Mastriano
-----------------	--------	----------------------	-----	-----------------	-----------

COST / (SAVINGS)

Fund (s)	2022-23	2023-24
General Fund	\$5 million	See "FISCAL IMPACT"

SUMMARY: This bill amends Title 64 (Public Authorities and Quasi-Public Corporations), in Commonwealth Financing Authority, establishing the Veteran-owned Business Loan Guarantee Program.

ANALYSIS: SB 248 establishes the Veteran-owned Business Loan Guarantee Program to provide loan guarantees to commercial lending institutions that make loans to veteran-owned businesses. If requirements are met by the institution, the Commonwealth Financing Authority (CFA) shall execute a master guarantee agreement in favor of the commercial lending institution. The institution may then apply for a guarantee of a proposed loan. The CFA Board shall review and make determinations on applications.

Loan guarantees may not exceed fifty percent of the outstanding principal amount, or \$250,000, for a loan.

FISCAL IMPACT: SB 248 allocates \$5 million from the Second Stage Loan Program for loan guarantees under this program. Administrative costs for loan guarantees under the program are de minimis at \$50,000 annually to review, approve, contract, and monitor program performance.