



For immediate release: Feb. 9, 2012

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Aid for Underwater Mortgages a Life Raft for Small Business

Statement by John Arensmeyer, founder and CEO of Small Business Majority:

Today, in the biggest government-industry settlement since 1998, major mortgage lenders and the federal government struck a \$25 billion deal that will bring relief to struggling homeowners across the nation, boosting demand for small businesses and stimulating the economy.

One in three small business owners report weak demand to be their top concern, according to national opinion polling commissioned by Small Business Majority, Main Street Alliance and the American Sustainable Business Council. What's more, three-quarters of owners say their business has suffered from low demand directly related to the mortgage crisis.

Our scientific opinion poll also found that by a 2:1 ratio, the majority of owners believe reducing the principal on underwater mortgages to their current market value would boost consumer spending.

Entrepreneurs who have used their homes as collateral especially stand to benefit. A full quarter of small business owners have used their home as an equity line of credit in order to finance their business. Many of them can now re-pocket money they lost when the market crashed and use it to grow their business, in turn stimulating the economy.

Today's deal between the federal government and top mortgage lenders is a step in the right direction for small business, and marks a historical step toward our overall economic recovery.

[For the full results of our national opinion poll, click here.](#)

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Small Business Majority is a California-based, national, nonpartisan small business advocacy organization founded and run by small business owners and focused on solving the biggest problems facing America's 28 million small businesses. We conduct extensive opinion and economic research and work with small business owners, policy experts and elected officials nationwide to bring small business voices to the public policy table.