

# **Texas Department of Banking**

## **Press Release**

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### **Texas Finance Commission Begins Statewide Study of Small Business Lending In Texas**

Date: April 27, 2001

Texas Finance Commission Chairman W. D. Hilton, Jr., announced today that the Finance Commission is commencing a study of nonagricultural small business lending throughout the State of Texas. Chairman Hilton states that “small businesses are the backbone of the Texas economy and employ a significant majority of our citizens. The availability of credit to meet their legitimate business needs is paramount to the economic success of our State.” The study will be conducted by the University of Texas at El Paso – Institute for Policy and Economic Development.

The research will discern the nature and characteristics of nonagricultural small business lending in Texas, including who is and who is not receiving credit, and who is providing credit. Additionally, the study will identify the types of small business credit that are available, at what price is it available, whether competitive market pressures are influencing this area of lending, and if legitimate small business lending needs are being met. The study is to be complete before December 2001, at which time the Finance Commission will report its findings and recommendations to the Texas Legislature.

This study is part of a broader mandate in the Texas Finance Code requiring the Finance Commission to conduct research on: (1) the availability, quality, and prices of financial services, including lending and depository services, offered to individual consumers, agricultural businesses, and small businesses; and, (2) the practice of business entities in this state that provide financial services to individual consumers, agricultural businesses, and small businesses.

Because of the broad scope of the mandate, research is being conducted in phases. Prior studies included consumer depository and cash services, home equity lending, and consumer lending. All of the studies are found in their entirety on the Finance Commission’s web site.

Any questions, comments or suggestions regarding this study should be directed to Banking Commissioner Randall S. James at 512-475-1300.