

Mr. HENDRICKS. Yes, sir.

The CHAIRMAN. You have been having some growth in this area, but how widespread is it acknowledged? How well known? What is the demand? What is the pressure on the agency for loans in this area?

Mr. HENDRICKS. Currently, Mr. Chairman, we are trying to carry the word on that program to a great many more sources which we feel could use it to good advantage, through what we call economic development conferences. I think there was one in Nashville held some 2 months ago. There was widespread interest. It was well attended, and from all reports, there was a very good cross section of the surrounding communities that attended and hoped to be able to implement this program with others to their advantage.

These conferences have been held at various geographic spots throughout the country, just as one means to convey the word on this program. Our field offices are constantly conducting smaller seminars and carrying the word on this program. We feel that the word is getting around very substantially on the program.

The CHAIRMAN. The legislative authority for the 501 and 502 local development company will be placed at the beginning of Mr. Hendricks' testimony with respect to this program.

The CHAIRMAN. The revolving fund authorized is \$300 million?

Mr. MOOT. Yes, sir. It was just increased \$100 million this past session.

The CHAIRMAN. The maximum amount for each loan of this type is \$350,000.

Mr. MOOT. That is right, sir.

The CHAIRMAN. And the maximum term is 25 years.

Mr. MOOT. That is right, sir.

The CHAIRMAN. Is that correct?

Mr. HENDRICKS. Correct.

The CHAIRMAN. And what is the interest rate?

Mr. HENDRICKS. Five and one-half percent, sir.

The CHAIRMAN. Has there been any attempt to correlate statistics pertaining to the economic growth in those areas which have local development companies as against those areas which do not have local development companies?

Mr. MOOT. We haven't actually correlated it yet. We have what we call a local economic planning system under development, Mr. Chairman, which is aimed at, among other things, that very purpose of determining the value of our programs as they equate to the economic growth of the community, and this, as you mentioned earlier, is a program that we think very highly of, and in our budget allocations we are allocating even more funds to the next year rather than the increasing level that we have been continuing over the past several years.

The CHAIRMAN. Does the SBA have a local development company specialist in each of the regions of the Nation?

Mr. MOOT. Yes, sir. As I mentioned earlier, we have recently decentralized this program to get it down closer to the operational level among the 62 regions, and we will have in each of the regions a 502 or local development company expert, so that we can actually add impetus and stimulus to this program.

The CHAIRMAN. How many of your personnel are assigned exclusively to this purpose?