

Saturday, May 30, 2009

### **TARP funds were for loosening up the credit markets, right? Right?**

Can't go into this too much, but was on the phone yesterday with a friend of mine who is COO of a tech outfit in New York state. Been in business around 5 years, has customers, revenues, cashflow, etc.

They had an operating line-of-credit with Silicon Valley Bank, who in December took somewhere north of 230 million in TARP funds. TARP funds were handed out to "get the credit markets flowing again" after they completely seized up in late '08. This company has not used up a lot of their credit line, but they do use it. They've never missed a payment.

This week they've been informed by SVB that their credit-line is no more. It's been converted into a note and they've been given 10 months to pay it off.

After I got off the phone I wondered if perhaps they were registered Republicans

Posted by Mark Jeftovic in Tech Wreck 2.0 at 21:20