

# State loan program aims to lend more small business funds to veterans

November 11, 2015 By JAMES T. MADORE [james.madore@newsday.com](mailto:james.madore@newsday.com)



New York State Comptroller Thomas P. DiNapoli, left, looks at a piece of equipment used to splice fiber optic cable with Versa-Tel President Michael D'Antoni, at Versa-Tel in Amityville, Nov. 11, 2015. (Credit: Ed Betz)

A state loan program aimed at helping veterans go into business for themselves has lent only 30 percent of its \$5 million since 2007.

State Comptroller Thomas DiNapoli said Wednesday he wants to increase the number of loans, which are disbursed by the New York

Business Development Corp. using money from the state pension fund. He is sole trustee of the \$184.5-billion fund.

"This should be a robustly accessed program . . . We want to get the word out," DiNapoli said at Versa-Tel Inc., an Amityville-based telecommunications company started by a local veteran. "I would love to allocate more money to this program."

The development corporation has lent \$1.5 million to small businesses owned by veterans, including \$547,000 to six on Long Island.

Robert Root, vice president at the development corporation, said the loans have a fixed, below-market interest rate. They are meant for entrepreneurs who are credit worthy but unable to get financing from a commercial bank, he said.

"It's affordable capital," said Root, "and capital that may not be available to clients through other means."

Typically, the loans are \$150,000 or less and used by veterans to purchase equipment,

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Versa-Tel has received two loans, totaling \$225,000. "Without the loans . . . I could have never done these projects," said company president Michael D'Antoni, who spent 20 years in the U.S. Air Force working on fiber-optic networks.

Versa-Tel has helped upgrade traffic signals across Long Island as well as communication systems at Long Island MacArthur Airport and the U.S. Armed Forces Command Center in Farmingdale.

The company has five permanent employees.

Versa-Tel is among more than 160 small businesses certified by the state as "service-disabled veteran-owned" under a 2014 law.

Gov. Andrew M. Cuomo said Wednesday he has set a goal for these certified companies to receive 6 percent of all state government contracts.

DiNapoli, of Great Neck Plaza, said the loan program for veterans seeks to achieve the "double bottom line" of boosting the state's economy and earning returns for the pension fund.

The loans earn 5 to 6 percent, according to Thomas McGrath, the pension fund's senior investment officer. The default rate is low; more than 99 percent of the loans are repaid.

DiNapoli said, "This is a way we can not only strengthen the pension fund but strengthen our local communities as well."

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