

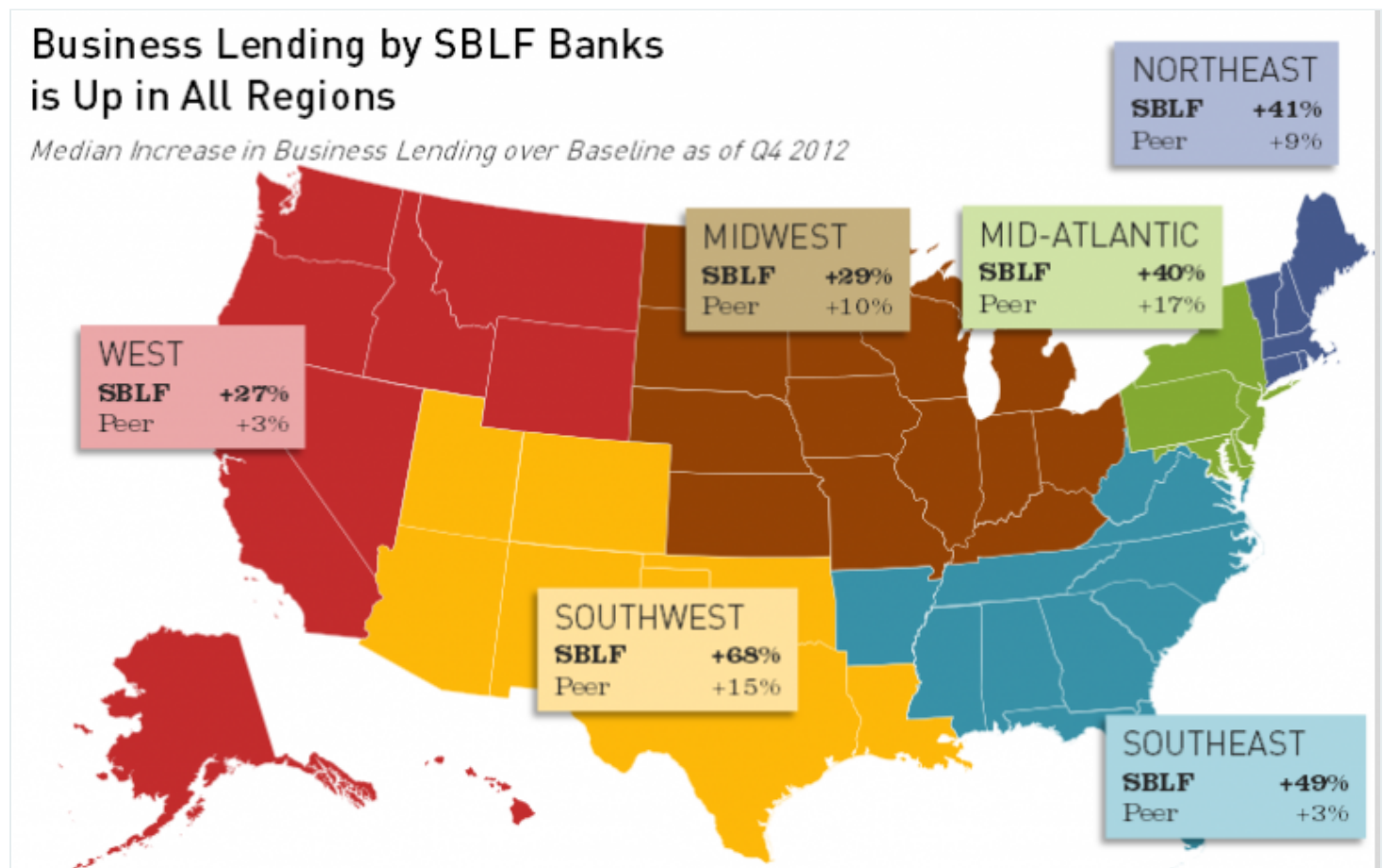
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Treasury Department program

Increased Lending Represents an Estimated 38,000 Additional Small Business Loan over Baseline Levels

Isaac M. O'Bannon • Apr. 03, 2013



WASHINGTON –April 3, 2013 – The [U.S. Treasury Department](#) has released a new report showing that the 332 community banks and community development loan funds that are a part of the Small Business Lending Fund (SBLF) program boosted lending for the seventh straight quarter.

In total, these financial institutions have increased small business lending by about \$8.9 billion since the depths of the recession in 2009. The increased lending

represents an estimated 38,000 additional small business loans over baseline levels.

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program. Community banks participating in SBLF have increased business lending by 38 percent, a substantially greater amount than a peer group of similar banks across median measures of size, geography, and loan type.

Small businesses play a critical role in the U.S. economy and are central to growth and job creation. In the aftermath of the recession and credit crisis, small business owners faced disproportionate challenges, including difficulty accessing capital.

By region, the estimated number of new small business loans as a result of the program are:

- Southeast U.S.: 11,100
- Southwest U.S.: 9,500
- Midwest U.S.: 8,800
- Mid-Atlantic U.S.: 3,900
- Western U.S.: 2,600
- Northeast U.S.: 2,100

The SBLF, established as part of the Small Business Jobs Act enacted in 2010, encourages community banks to increase their lending to small businesses, helping those companies expand their operations and create new jobs. The Treasury Department invested more than \$4 billion in 332 institutions through the SBLF. Collectively, these institutions operate in more than 3,000 locations across 48 states. This report includes information on the 320 institutions that continue to participate in the program as of March 15, 2013, including 270 community banks and 50 community development loan funds.

SBLF encourages lending to small businesses by providing capital to community banks and CDLFs with less than \$10 billion in assets. The dividend or interest rate a community bank pays on SBLF funding is reduced as the bank increases its lending to

small businesses – providing a strong incentive for new lending to small businesses

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The Treasury Department also administers the State Small Business Credit Initiative (SSBCI), which allocates \$1.5 billion to state programs designed to leverage private financing to spur \$15 billion in new lending to small businesses and small manufacturers.

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