

## **State Small Business Credit Initiative (SSBCI)**

Program Overview

October 30, 2013

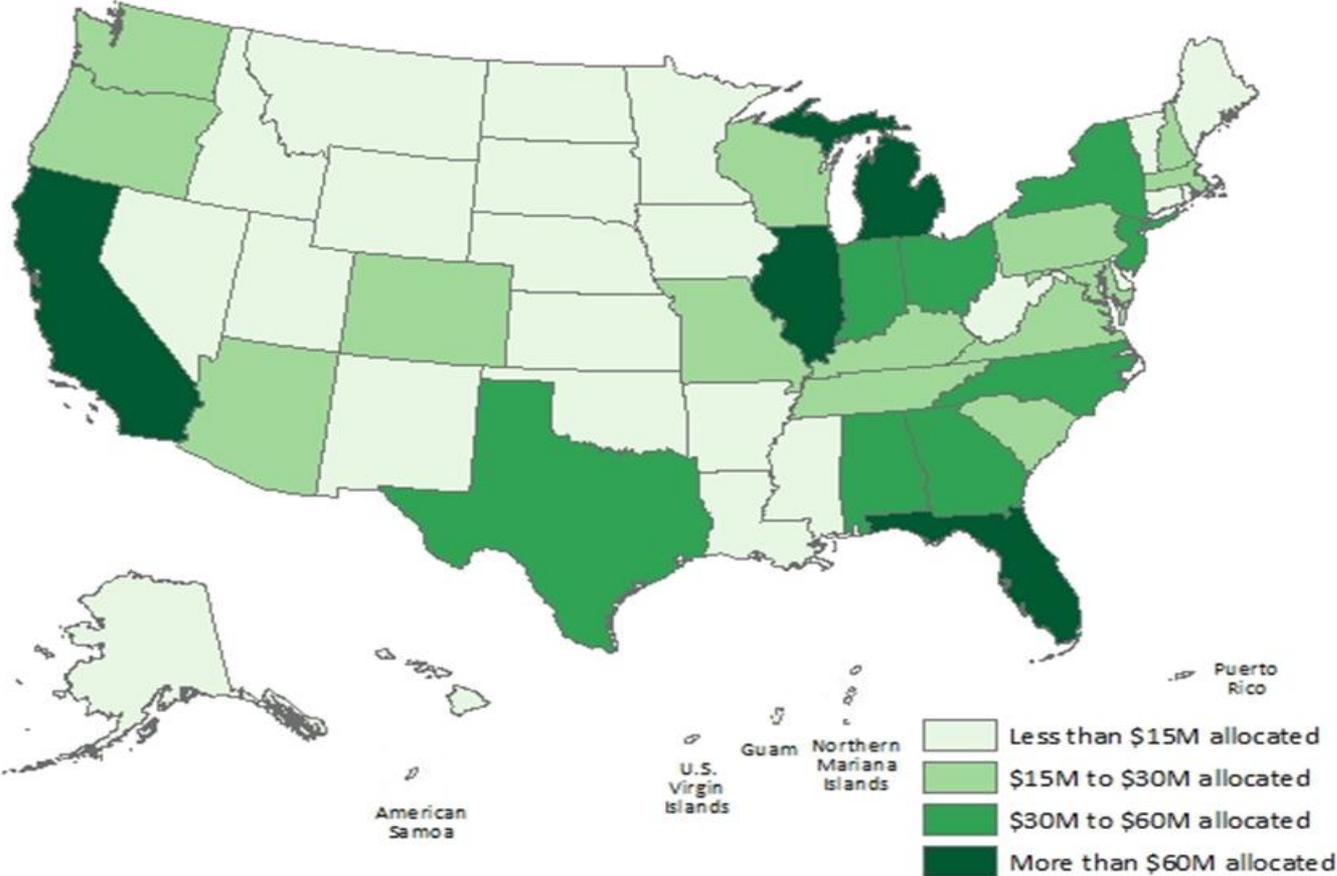
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## What is the State Small Business Credit Initiative (SSBCI)?

- Created in Small Business Jobs Act of 2010 to spur up to \$15 billion in lending and investing to small businesses and small manufacturers.
- Awards funds to state agencies for credit support programs.
- States design their own program within broad parameters, E.g., private leverage per transaction, per program, and overall per state.
- In 2011, Treasury awarded almost \$1.5 billion to 47 states, District of Columbia, five territories and four municipalities.

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# SSBCI Allocations By State



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## Why is SSBCI an opportunity?

- Funds are available in every state for credit support for small business loans.
- SSBCI Programs operated by state agencies – responsive and close to local markets
- SSBCI programs are complementary to other federal programs:
  1. Bridge financing eligible while awaiting SBA 504 debentures
  2. Loans to nonprofit organizations eligible if for business purposes.
  3. Loans for borrowers that may not fit SBA profile

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## SSBCI Credit Support Programs

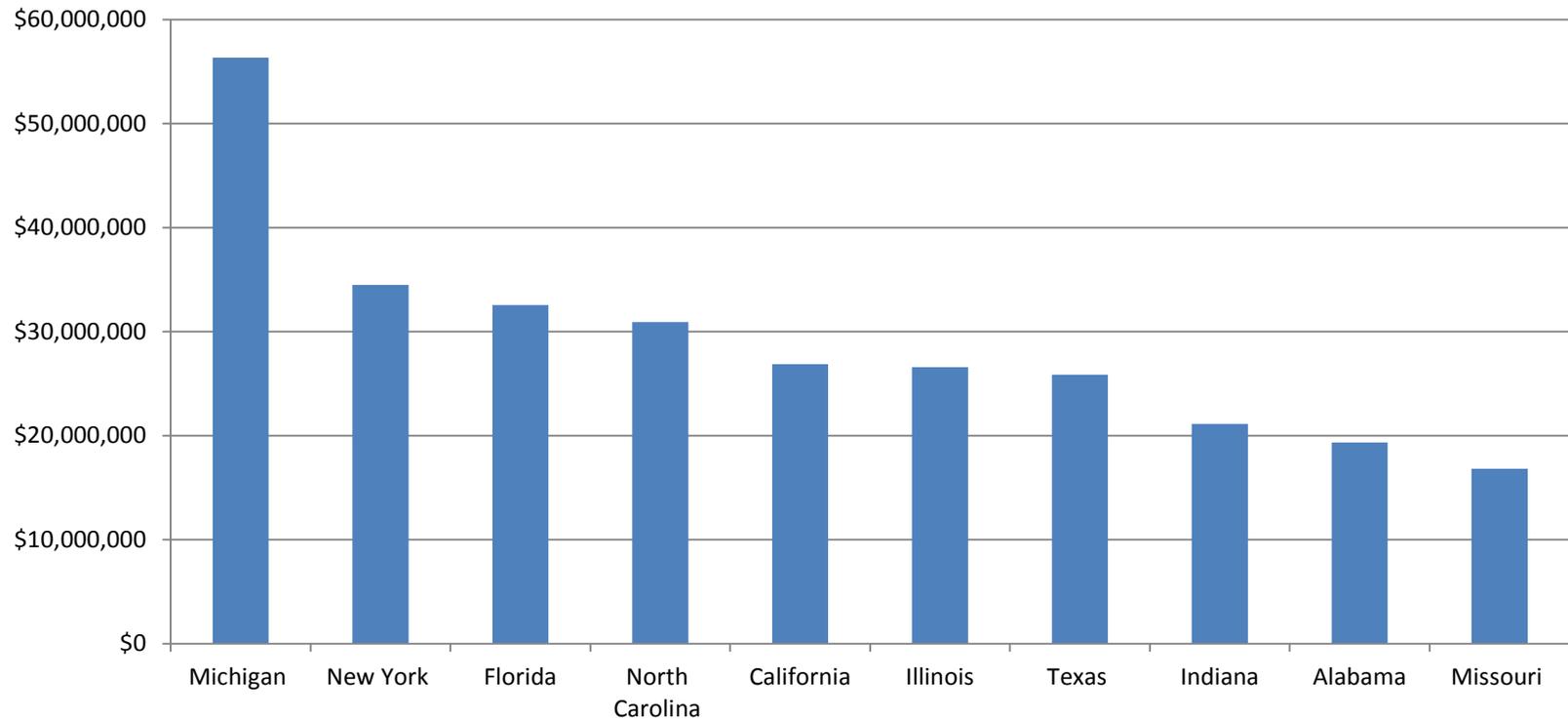
- Collateral Support Programs: State deposits cash at lender to fill collateral shortfall gap.
- Capital Access Programs: Lender and borrower contribute to a funded Reserve Account (2-7%), matched by State.
- Loan Guarantee Programs: State guarantees up to 80 percent of loan amount.

[Not in California]

- Loan Participation Programs: State purchases a participation or makes a companion loan, often 15-25 percent of loan amount and subordinate to the senior lender's interest.

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## Top 10 States by Dollars of SSBCI Funds Used (As of June 30, 2013)



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# Top 15 Largest SSBCI Lenders by Amount Loaned or Invested (Cumulative through 2012)

| Rank | Lender                                  | Number of Loans | Amount Loaned/ Invested | SSBCI Funds Used    | Average Amount Loaned/ Invested | Average SSBCI Funds Used |
|------|---|-----------------|-------------------------|---------------------|---------------------------------|--------------------------|
| 1    | Huntington National Bank (OH, IN ,& MI) | 196             | \$46,445,920            | \$11,181,075        | \$236,969                       | \$57,046                 |
| 2    | Pacific Enterprise Bank (CA)            | 102             | \$33,359,061            | \$1,336,362         | \$327,050                       | \$13,102                 |
| 3    | Amarillo National Bank (KS)             | 3               | \$30,685,569            | \$750,000           | \$10,228,523                    | \$250,000                |
| 4    | NewBridge Bank (NC)                     | 44              | \$29,008,154            | \$5,181,217         | \$659,276                       | \$117,755                |
| 5    | Citizens Bank (MI)                      | 4               | \$21,293,000            | \$5,208,870         | \$5,323,250                     | \$1,302,218              |
| 6    | NBT Bank (VT)                           | 3               | \$21,083,720            | \$421,674           | \$7,027,907                     | \$140,558                |
| 7    | M B Financial Bank (IL)                 | 3               | \$20,500,000            | \$2,125,000         | \$6,833,333                     | \$708,333                |
| 8    | Fifth Third Bank (MI)                   | 19              | \$18,594,250            | \$7,005,981         | \$978,645                       | \$368,736                |
| 9    | mBank (MI)                              | 4               | \$16,476,237            | \$7,495,000         | \$4,119,059                     | \$1,873,750              |
| 10   | Wells Fargo Bank (NM, SD)               | 3               | \$16,328,658            | \$3,356,000         | \$5,442,886                     | \$1,118,667              |
| 11   | Village Bank and Trust (IL)             | 4               | \$12,855,713            | \$1,686,928         | \$3,213,928                     | \$421,732                |
| 12   | The Palmetto Bank (SC)                  | 19              | \$12,100,117            | \$2,668,707         | \$636,848                       | \$140,458                |
| 13   | People's United Bank (VT, NH)           | 20              | \$11,594,133            | \$420,581           | \$579,707                       | \$21,029                 |
| 14   | Plaza Bank (CA)                         | 26              | \$11,165,590            | \$509,665           | \$429,446                       | \$19,603                 |
| 15   | Opportunity Fund (CA)                   | 1,316           | \$10,960,236            | \$766,444           | \$8,328                         | \$582                    |
|      | <b>TOTAL</b>                            | <b>1,766</b>    | <b>\$312,450,358</b>    | <b>\$50,113,505</b> | <b>\$176,925</b>                | <b>\$28,377</b>          |

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## How do I learn about the SSBCI program in a particular state?

- [www.treasury.gov/ssbci/stateprograms](http://www.treasury.gov/ssbci/stateprograms)
- Google “[state] ssbci”

Call or email:

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