

STATE SMALL BUSINESS CREDIT INITIATIVE (SSBCI)



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Program Sustainability

- Constant Hands on Marketing
- Maximum Guarantee of 50%
- Fee for Services
- Maximum Term 60 Months
- Constantly checks for excess cash for redeployment

SSBCI Program Audience

- Lenders
- Economic Developers
- Community Development Corporations
- Alabama Small Business Development Center Network



SSBCI Compliance Rules

- Comply with Treasury Program requirements
- Leveraging
- Job Creation
- Sunset Provision
- Very few rules



Gather Lender Interest

- Underwriting
- Servicing
- Credit Quality



Why is Alabama Successful?

- Master Agreement
- Simplicity – 2 Page Application– Relevant Items
- Quick Turn Around
- Recognizing What Works & What Doesn't
- Low Cost
- Helps Business – Affordable Rates
- Helps Banks – CRA – Loan Exposure
- Advisory Committee
- Program as structured will continue to function



Two words...

**ROLL
TIDE!**





**Small Business
Finance Center**

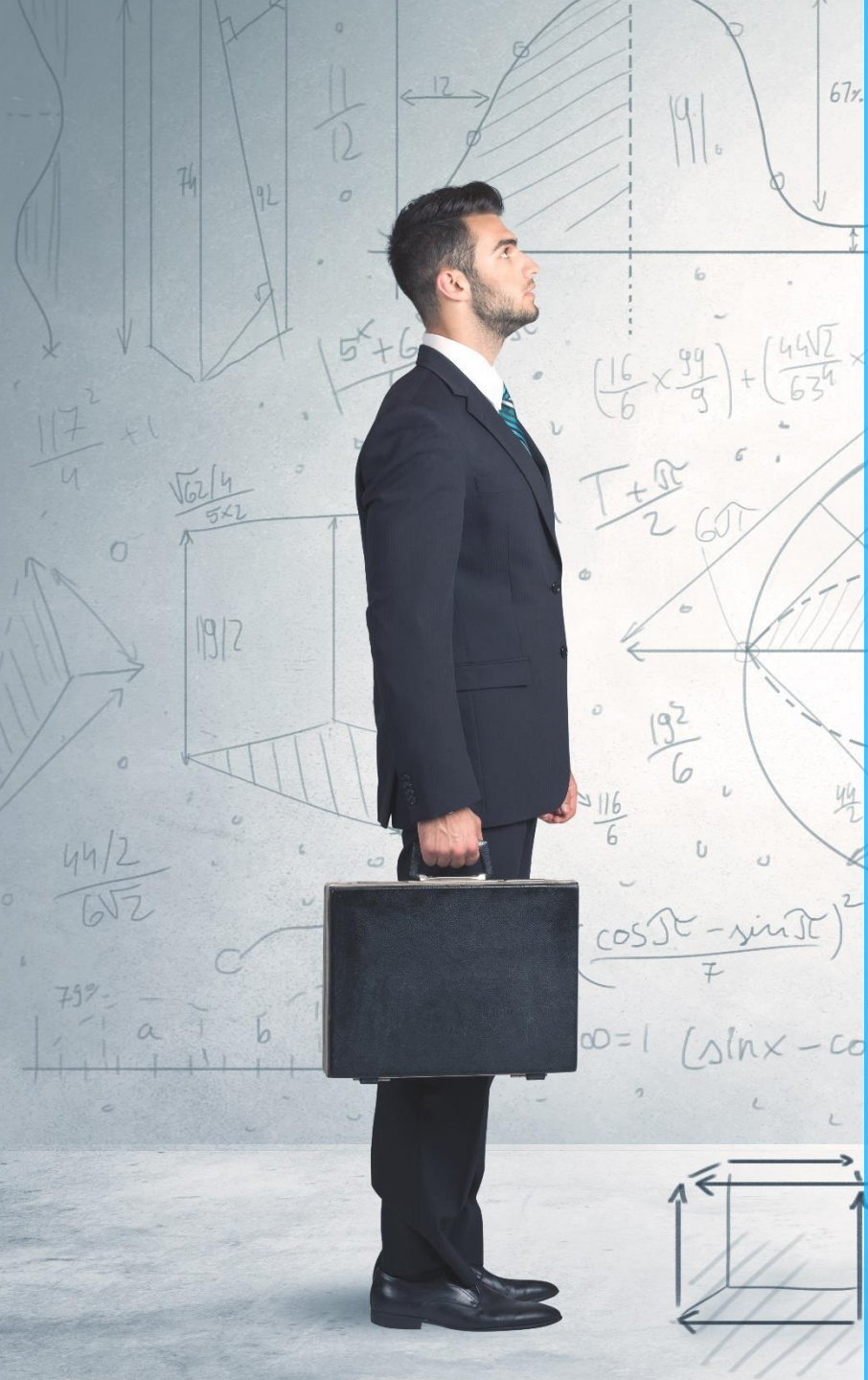


IBank Small Business Loan Guarantee Program Sustainability

About Us



IBank's **Small Business Finance Center** (SBFC) helps provide **loans** to small businesses that experience **capital access barriers** through its Small Business Loan Guarantee Program (SBLGP) established in **1968**.



Small Business Loan Guarantee Program (**SBLGP**)

Since **1968**,

the SBLGP has guaranteed over
30,000 loans to lending
institutions that are
committed to helping
small businesses

grow and **prosper** in
California and their
communities.

State Small Business Credit Initiative (SSBCI)

Since **2011**,
funds provided by the **U.S. Treasury**
under the SSBCI
program joined existing
SBLGP funds in supporting
over **2100 guarantees***
for California small
businesses.

*as of March 31, 2017



Financial Development Corporations (FDC'S)



FDC's are the **contracted agents** of the State

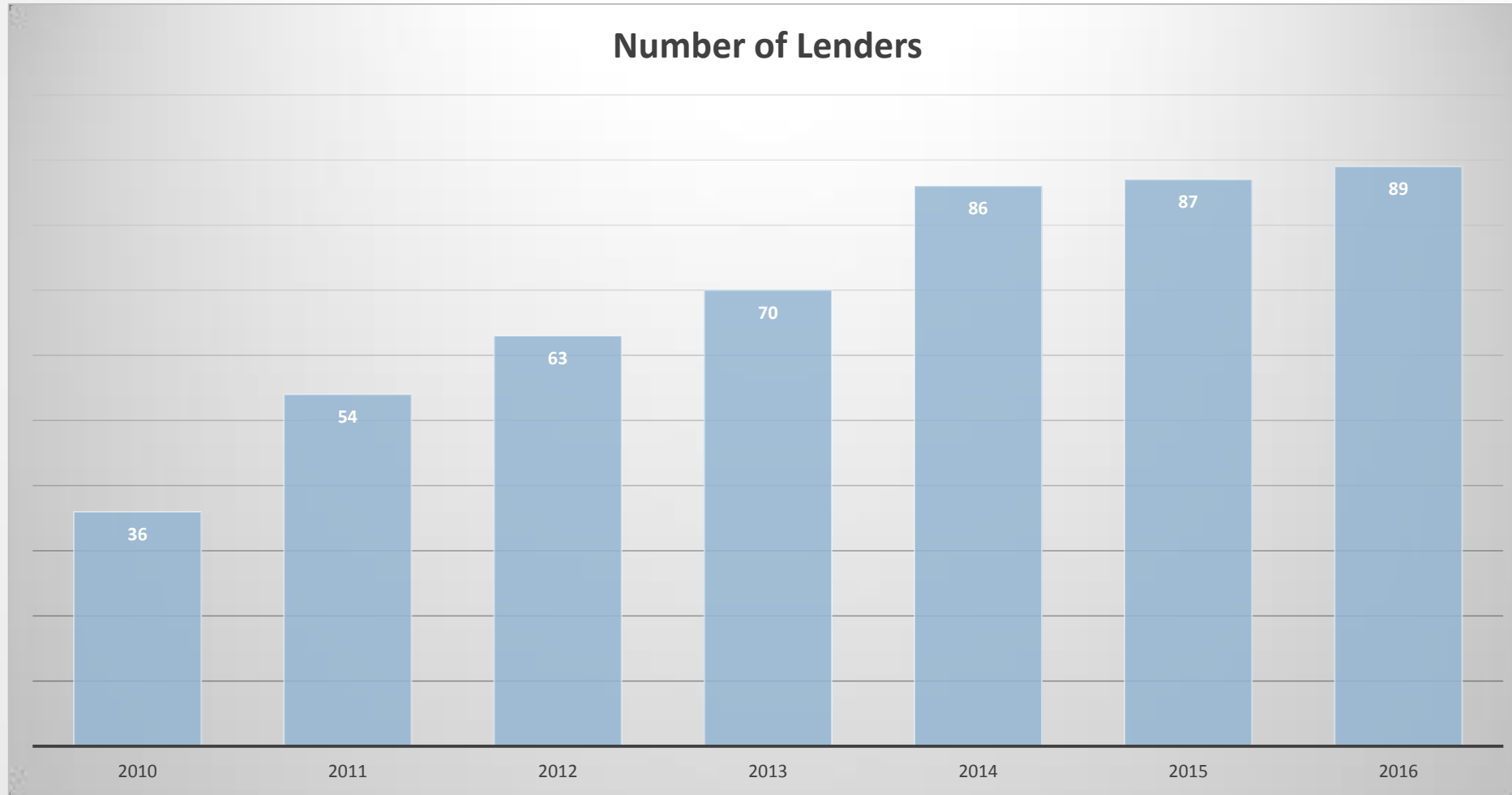
They work with Banks, Credit Unions, and CDFIs to **connect borrowers**, and issue guarantees up to **80%** of the loan.



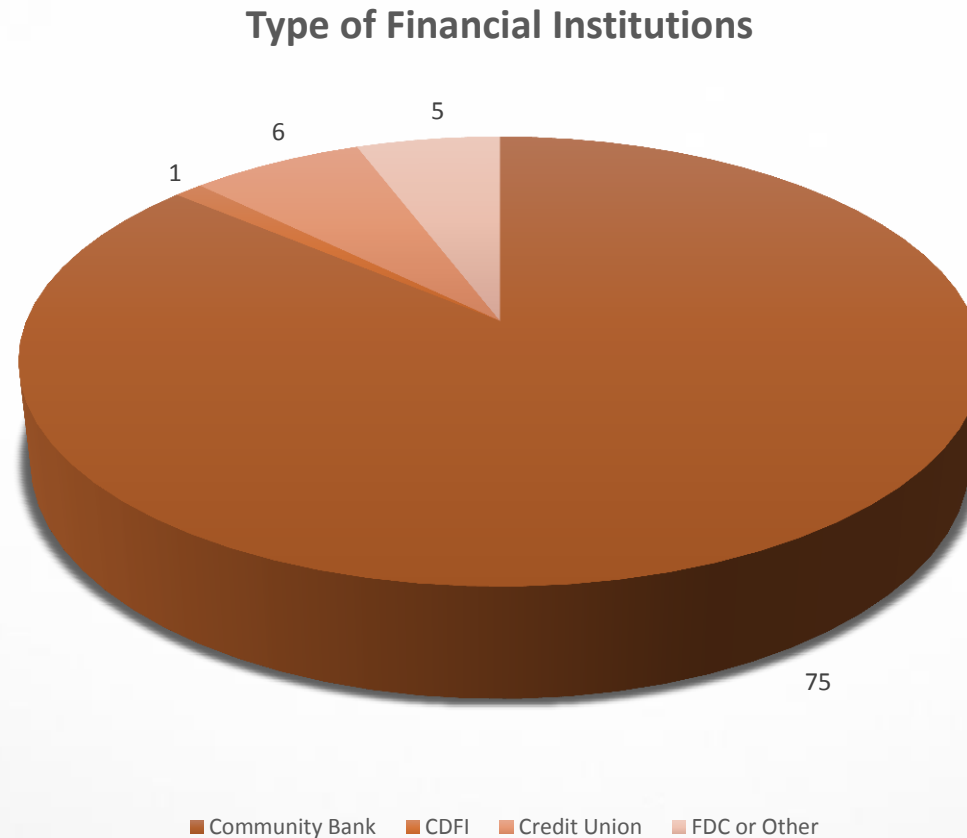
A hand holding a pen, surrounded by various business-related sketches. The sketches include a lightbulb, a pie chart, a bar chart, and a line graph. The text "NG" and "Y?" is visible in red.



Lender Program Participation



Lender Program Participation



How we are different from SBA?

SBLGP

SBA

Bank uses its own forms ↔ SBA forms

Loans up to \$20MM ↔ Limited to \$350K

Fee 2.5% ↔ Fee (generally) 3% & up

Can request less than 80% ↔ Fixed guarantee %

Non profits eligible ↔ No Non-profits

No restrictions on EB5 or non-citizen residents ↔ Must be citizen

Lender criteria used ↔ Business must have 2-3 years of consecutive profitability

Minor infractions OK ↔ No legal infractions

OK to mandate banking relationship ↔ Cannot mandate banking relationship

Newsletter



Top Lenders

Top Lenders by Number of Loans Last 4 Quarters		
Rank	Lender	# of Loans
1	Accion	54
2	CDC Small Business Finance	21
3	Valley Small Business Development Corporation	16
4	Torrey Pines Bank	15
5	Valley Business Bank	14
6	Community West Bank	11
7	California Credit Union	10
8	Capital Bank	10
9	Citizens Business Bank	10
10	City National Bank	10
11	Bank of Commerce	9
12	First Northern Bank	9
13	Pacific Premier Bank	9
14	Farmers & Merchants Bank	8
15	Community Bank of the Bay	7

Top Lenders by Total Loan Amount Last 4 Quarters		
Rank	Lender	Loan Amount
1	California Bank of Commerce	\$13,690,000.00
2	California Bank & Trust	\$13,352,250.00
3	Five Star Bank	\$12,300,000.00
4	Capital Bank	\$8,095,000.00
5	California Credit Union	\$6,955,000.00
6	Pacific Mercantile Bank	\$6,646,480.00
7	River City Bank	\$6,465,000.00
8	Silvergate Bank	\$6,403,497.00
9	City National Bank	\$6,320,000.00
10	Citizens Business Bank	\$6,117,655.00
11	Torrey Pines Bank	\$6,055,061.00
12	Pacific Premier Bank	\$5,227,442.00
13	Valley Business Bank	\$5,004,239.00
14	HomeStreet Bank	\$4,743,407.00
15	Community Bank of the Bay	\$4,715,000.00
16	Community West Bank	\$4,593,500.00
17	California Business Bank	\$4,568,086.00
18	First Northern Bank	\$3,874,626.00
19	1st Capital Bank	\$3,687,500.00
20	Bank of Guam	\$3,620,000.00
21	Bank of Southern California	\$3,273,000.00
22	Sacramento Bank of Commerce	\$3,225,000.00
23	Banc of California	\$3,000,000.00
24	South County Bank	\$2,985,000.00
25	Umpqua Bank	\$2,480,000.00

Our Success Stories





Total Loan Amount:

- \$150,000.00 RLOC
- \$300,000.00 term

Use of Funds:

- Working Capital

Jobs Created:

- 6 full-time employees





Inform assembly and senate districts

Owners Julia and Todd opened The French Press in 2009, with the shared goal to make a nice place to have a fine coffee. Over time, the business evolved into a successful coffee roaster and bake shop.

Total Loan Amount:

- \$350,000 term loan

Use of Funds:

- Tenant Improvements
- Equipment Purchase

Jobs Created:

- 15 employees

B Street Theatre has been delighting audiences and providing an opportunity for children to experience the arts in the region for over **25 years**.



Total Loan Amount:

- \$12,000,000 term loan

Use of Funds:

- New construction
- Title & Escrow Costs

Jobs Created:

- 53 employees



“Feel good”
stories



Legislative change to leverage ratio

Small Business Finance Center

STATE OF THE LOAN GUARANTEE PROGRAM

As of March 30, 2017



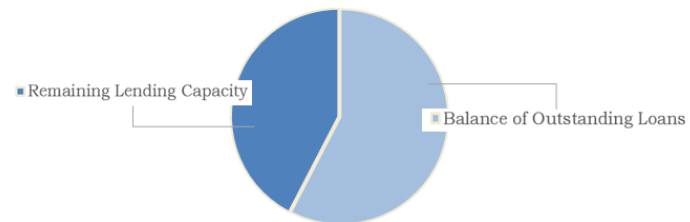
SIZE OF ALL SBFC PROGRAMS

Number of Outstanding Loans	1,097	Funds on Deposit	\$107,254,576.23
Balance of Outstanding Loans	\$428,940,087.00	Leverage Ratio	2.65:1
Amount Guaranteed	\$283,933,298.00	Allowed Leverage Ratio	5.00:1
		Remaining Lending Capacity*	\$315,424,478.94
			based on an 80% guarantee

DEFAULT RATIO

Default Ratio Since Fiscal Year 2013-2014	0.890%
-------------------------------------------	--------

PROGRAM CAPACITY



*The stated capacity for lending is fluid and in flux as new loans are supported and old loans pay off.

Small Business Finance Center

STATE OF THE LOAN GUARANTEE PROGRAM

As of March 30, 2017



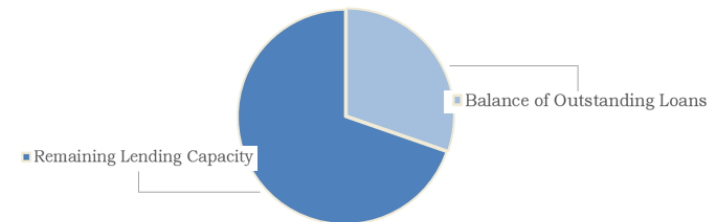
SIZE OF ALL SBFC PROGRAMS

Number of Outstanding Loans	1,097	Funds on Deposit	\$107,254,576.23
Balance of Outstanding Loans	\$428,940,087.00	Leverage Ratio	2.65:1
Amount Guaranteed	\$283,933,298.00	Allowed Leverage Ratio	10.00:1
		Remaining Lending Capacity*	\$985,765,580.38
			based on an 80% guarantee


DEFAULT RATIO

Default Ratio Since Fiscal Year 2013-2014	0.890%
-------------------------------------------	--------

PROGRAM CAPACITY



*The stated capacity for lending is fluid and in flux as new loans are supported and old loans pay off.



Secondary Market

Standardize Loans

Identify

Private Investors

Diversify your Portfolio



FARM Loans:

**Help CDFI's keep
liquidity to leverage
their funds**

CDFI to Farm

- CDFI provides loan directly to small farm.
- Loan is 90% guaranteed by USDA.

IBank to CDFI

- CDFI requests reimbursement for loan from IBank.
- IBank provides direct loan to CDFI.
- CDFI pays IBank back as borrower payments are collected



Loans up to **\$1,399,000**

FARM Loans: For small Farms

Purchase of **new or EXISTING FARMS**
operating expenses, machinery, livestock and more.

The background of the entire slide is a photograph of two people jumping joyfully against a bright, orange-hued sunset sky. The silhouettes of the jumpers are dark against the glowing light. The ocean is visible at the bottom of the frame.

Coming Soon



Jump Start Loan Program



Encouraging
Entrepreneurial
Culture

Making it **possible** for
entrepreneurs to
start and **expand**
their own business



More than
Just a Loan



\$1,000,000



Seeking additional
contributors

CRA Credits

\$1,000,000



Making Dreams Come True



**Loans from \$500
to \$10,000**



California Infrastructure and
Economic Development Bank

For Immediate Release May 9, 2017
Contact: Alice Scott, alice.scott@ibank.ca.gov or
Stacy Corcoran, stacy.corcoran@ibank.ca.gov

**New Microloan Program is Open for Business to
Help Entrepreneurs in Low-Wealth Communities**
IBank Launches Jump Start during California Small Business Month

Sacramento – Today the California Infrastructure and Economic Development Bank (IBank) Executive Director, Teveia Barnes, announced a new microloan program is open for business in low-wealth communities. The Jump Start Loan Program (Jump Start) helps small businesses in low-wealth communities start, grow and thrive. Jump Start's goal includes assisting underserved groups such as women, people of color, veterans, the disabled and those previously incarcerated.



California
Small Business Month
May 2017

www.CalSmallBizMonth.com

Brought to you by the
California Governor's Office of Business and
Economic Development

The logo for the California Governor's Office of Business and Economic Development, featuring a stylized sun and the text "CALIFORNIA GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT".

You are cordially invited to the
**Small Business Month
Kick Off Press Conference**
May 1, 2017
California State Capitol, South Steps - 9:00 a.m.

Jesse Torres, State Small Business Advocate
CA Assembly Speaker Anthony Rendon*
Senate President Pro-Tem Kevin De Leon*
Senator Richard Roth*
Senator Toni Atkins*
Assemblymember Eduardo Garcia*
Panorea Avdis, GO-Biz Director
Assemblymember Sharon Quirk-Silva*
Eloy Oakley, Chancellor California Community Colleges*

*Invited

In partnership with:

The IBank logo, featuring a stylized blue and yellow icon and the text "IBank California Infrastructure and Economic Development Bank".

The "Doing What Matters" logo, featuring a circular icon with a stylized 'D' and the text "Doing What MATTERS".

The official seal of the State of California.

The logo for the U.S. Small Business Administration (SBA).

The official seal of the U.S. Small Business Administration.

