Results of the First Annual SBLF Lending Survey

June 2013 (Updated 11/1/2013)

OVERVIEW

Small businesses are a vital part of the American economy and their success is a critical component of the economic recovery. Established by the Small Business Jobs Act of 2010 (the Act), the Small Business Lending Fund (SBLF) is a dedicated fund designed to provide capital to qualified community banks[1] and community development loan funds (CDLFs) in order to encourage small business lending. The purpose of the SBLF is to encourage Main Street banks and small businesses to work together, help create jobs, and promote economic growth in communities across the nation.

This report provides information from participants on their small business lending, use of SBLF funding, loan demand, credit standards, obstacles to small business lending, and outreach to small businesses in their communities. For the year ended June 30, 2012, SBLF participants reported the following on small business lending.

- **SBLF participants have increased small business lending by an estimated 38,000 additional loans as of December 31, 2012.** As reported in the *April 2013 SBLF Use of Funds Report*, SBLF participants have increased their small business lending by $8.9 billion over a $36.9 billion baseline. Based on benchmarks from the lending survey, this $8.9 billion increase represents an estimated 38,000 additional loans to small businesses.

- **Over 80 percent of small business loans made by SBLF participants were made in amounts of $250,000 or less.** Nearly half of loans (48 percent) carried a term of more than two years. A majority of loans (61 percent) used an adjustable rate, with an average rate of 5.3 percent at the time of origination.

- **Small businesses in a wide array of industries have benefited from the increased lending by SBLF participants.** Companies in the service and agriculture sectors received the largest estimated percentage of new loans. Every region[2] of the country has benefited, with participants in the South and Midwest reporting the largest estimated increases in the number of small business loans (20,200 and 8,700 loans, respectively), followed by the Northeast (5,500 loans) and the West (3,600 loans).

- **Over 90 percent of participants reported that they were able to increase small business lending (or reduce it by less than otherwise would have occurred) with SBLF funding.** Participants also reported that SBLF funding supported other business lending (50 percent) and non-business lending (31 percent). These uses of SBLF funding were broadly consistent across geographic regions.

- **SBLF participants reported that demand for small business loans is strengthening.** Participants reported stronger demand overall for small business lending, with 46 percent reporting stronger demand compared to 14 percent reporting weaker demand. Participants also reported a net increase in the number of inquiries from small business borrowers regarding the availability and terms of new lending, with 54 percent reporting an increase in inquiries and 12 percent reporting a decrease.

[1] In this report, the terms "banks" and "community banks" encompass banks, thrifts, and bank and thrift holding companies with consolidated assets of less than $10 billion.

[2] In this report, the Midwest region includes: IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, and WI. The Northeast region includes: CT, ME, MA, NH, NJ, NY, and PA. The South region includes: AL, AK, DE, DC, FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, VA, and WV. The West region includes: AZ, CA, CO, ID, MT, NV, UT, WA, and WY.

- **Participants reported that they have generally not changed credit underwriting standards, although some institutions have reduced the interest rate spread charged to borrowers, among other items.** A significant majority of participants (81 percent) reported that credit standards for approving small business lending remain basically unchanged, with 12 percent reporting eased standards and 8 percent reporting tightened standards. Participants also reported that some terms for loans that they are willing to approve have changed over the year, with the largest net percentage (42 percent) reporting smaller, or narrower spreads. Significant majorities of participants reported that returns, collateral, and risks have been obstacles to increasing small business lending.

- **Ninety-one percent of SBLF participants reported engaging in outreach or advertising activities targeting women, veteran, or minority communities and 44 percent of their outreach spending was allocated to activities targeting these groups.** Among SBLF participants, 76 percent report that they are members or participate in community organizations and/or trade associations that target women, veteran, or minority communities and 53 percent used paid advertisement or notices in print, radio, or electronic media to target women, veteran, or minority communities. Of the $16 million that SBLF participants reported spending on small business lending outreach activities, over 44 percent was allocated to outreach activities targeting women, veteran, and minority communities.

BACKGROUND

The SBLF Lending Survey is an annual information collection required of all institutions participating in the program. Under Section 3.1(c)(ii)(D) of the Securities Purchase Agreement, institutions participating in the SBLF are required to complete an annual survey. This report is published by Treasury using aggregated survey responses.

This report includes the results of the program's first annual survey. The survey was distributed to SBLF participants in August 2012 and covers small business lending activities during the period from July 1, 2011 (or the start of the first reporting period after the initial disbursement of SBLF funding) to June 30, 2012. The survey included 14 questions on topics including small business lending policies and practices, use of SBLF funding, and outreach to small businesses. Responses were received from the 327 institutions participating in SBLF as of the survey administration, including 276 community banks and 51 CDLFs. Please see "Appendix A" for additional information regarding the methodology employed in this report.

Treasury invested over $4.0 billion in 332 institutions through the SBLF program. These amounts include investments of $3.9 billion in 281 community banks and $104 million in 51 CDLFs. Collectively, these institutions operate in over 3,000 locations across 47 states and the District of Columbia. This report includes information on the 327 institutions that completed the survey, including 276 community banks and 51 CDLFs.

The initial disbursement of SBLF funding occurred on June 21, 2011, with subsequent transactions completed thereafter until the program's September 27, 2011 statutory funding deadline. As of May 31, 2013, 15 institutions with aggregate investments of $162.3 million have fully redeemed their SBLF securities and exited the program, and 13 institutions have partially redeemed $129.6 million (or 34 percent of their SBLF securities) though continue to participate in the program.

The SBLF program encourages lending to small businesses by providing capital to community banks and CDLFs with less than $10 billion in assets.

- For community banks, the SBLF program is structured to encourage small business lending through a dividend or interest rate incentive structure. The initial rate payable on SBLF capital is, at most, 5 percent, and the rate falls to 1 percent if a bank's small business lending increases by 10 percent or more.[3] Banks that increase their lending by amounts less than 10 percent pay rates between 2 percent and 4 percent. If a bank's lending does not increase in the first two years, however, the rate increases to 7 percent. If a bank has not repaid the SBLF funding after four and a half years, the rate increases to 9 percent.

- For CDLFs, the SBLF program is structured to encourage small business lending through access to low-cost capital at a 2 percent interest rate. These non-profit loan funds play a critical role in distressed communities across the country that lack access to mainstream financial services. CDLFs engage in activities including offering microloans to entrepreneurs, providing mezzanine debt to growing small businesses, and financing community facilities like charter schools and health clinics.

[3] The initial interest rate paid by S corporations and mutual institutions is, at most, 7.7 percent. If these institutions increase their small business lending by 10 percent or more, then the rate falls to as low as 1.5 percent. These interest rates equate to after-tax effective rates (assuming a 35% tax rate) equivalent to the dividend rate paid by C corporation participants.

As established in the Act and described above, the SBLF program operates through an indirect mechanism to achieve policy outcomes. The additional lending capacity provided by SBLF capital – coupled with the program's dividend or interest rate incentives in the case of community banks – encourages institutions to increase small business lending. Because of the program's structure, increases in small business lending cannot be directly linked to the use of SBLF funds. However, the program's impact can be observed indirectly. For additional information regarding the methodology employed in this report, please see Appendix A.

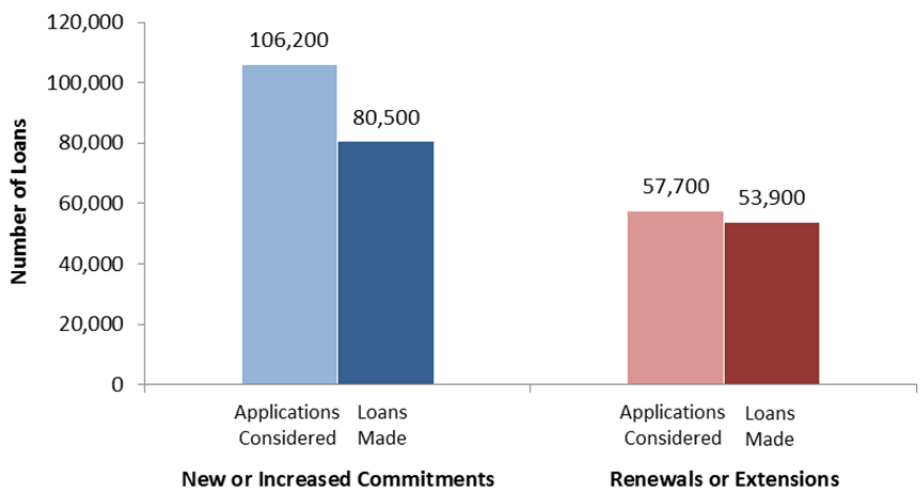
SMALL BUSINESS LENDING BY PARTICIPANTS

As reported in the *April 2013 SBLF Use of Funds Report*, SBLF participants have increased their small business lending by $8.9 billion over a $36.9 billion baseline as of December 31, 2012. Based on the average loan size reported by participants, this $8.9 billion increase represents an estimated 38,000 additional loans to small businesses, with approximately 80 percent of those loans made in amounts of $250,000 or less.[4] Small businesses in a wide array of industries have benefited from the increased lending by SBLF participants, with companies in the service and agriculture sectors receiving the largest estimated percentage of new loans. Every region of the country has benefited, with participants in the South and Midwest reporting the largest estimated increases in the number of small business loans (20,200 and 8,700 loans, respectively), followed by the Northeast (5,500 loans) and the West (3,600 loans). The following section includes additional detail on small business lending by participants, including loan applications, number and dollar value of loans made, loan terms, and interest rates.

Small Business Loans Considered and Made by Participants

For the year ended June 30, 2012, participants reported that they made over 80 percent of the applications they considered for small business loans, including 76 percent of the applications for new lending commitments or increases in outstanding lending commitments and 93 percent of the applications for renewals or extensions.[5] The following graph shows the number of small business loan applications considered and loans made by participants.

Number of Small Business Loan Applications Considered and Loans Made
(From July 1, 2011 to June 30, 2012)



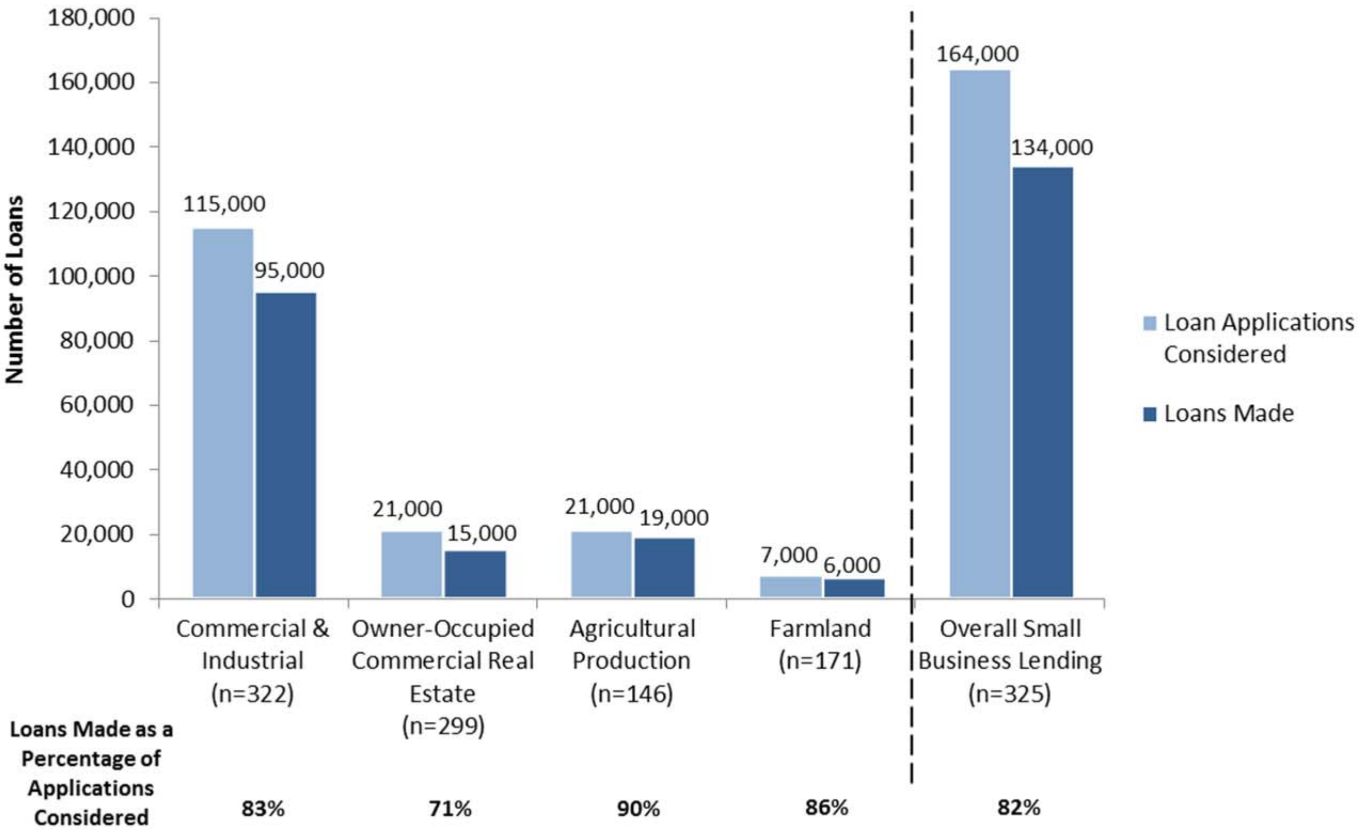
Loans Made as a Percentage of Applications Considered	76%	93%

[4] The number of additional small business loans is calculated by dividing each participant's change in small business lending as of December 31, 2012 by the average loan size the participant reported on its SBLF lending survey for the year ended June 30, 2012 and aggregating the resulting loan counts. The resulting aggregate is rounded to the nearest hundred loans.
[5] Lending commitments include loans (or credit lines) that were closed over the past year, whether or not they were funded.

Of the loans made, approximately 60 percent were for loans that represent new or increased commitments by participants. These results were similar across the four categories of small business lending, with the largest percentage of loans that were new or increased commitments for agricultural production (70 percent), followed by owner-occupied commercial real estate (62 percent), farmland (61 percent), and commercial and industrial (58 percent).

Approximately 70 percent of all small business loan applications considered and 71 percent of small business loans made were for commercial and industrial purposes. Loans supporting agricultural production and farmland evidenced the highest percentage of loans made as a fraction of applications considered at 90 percent and 86 percent, respectively. The following graph shows the total number of small business loan applications considered and made across the four categories of small business lending.

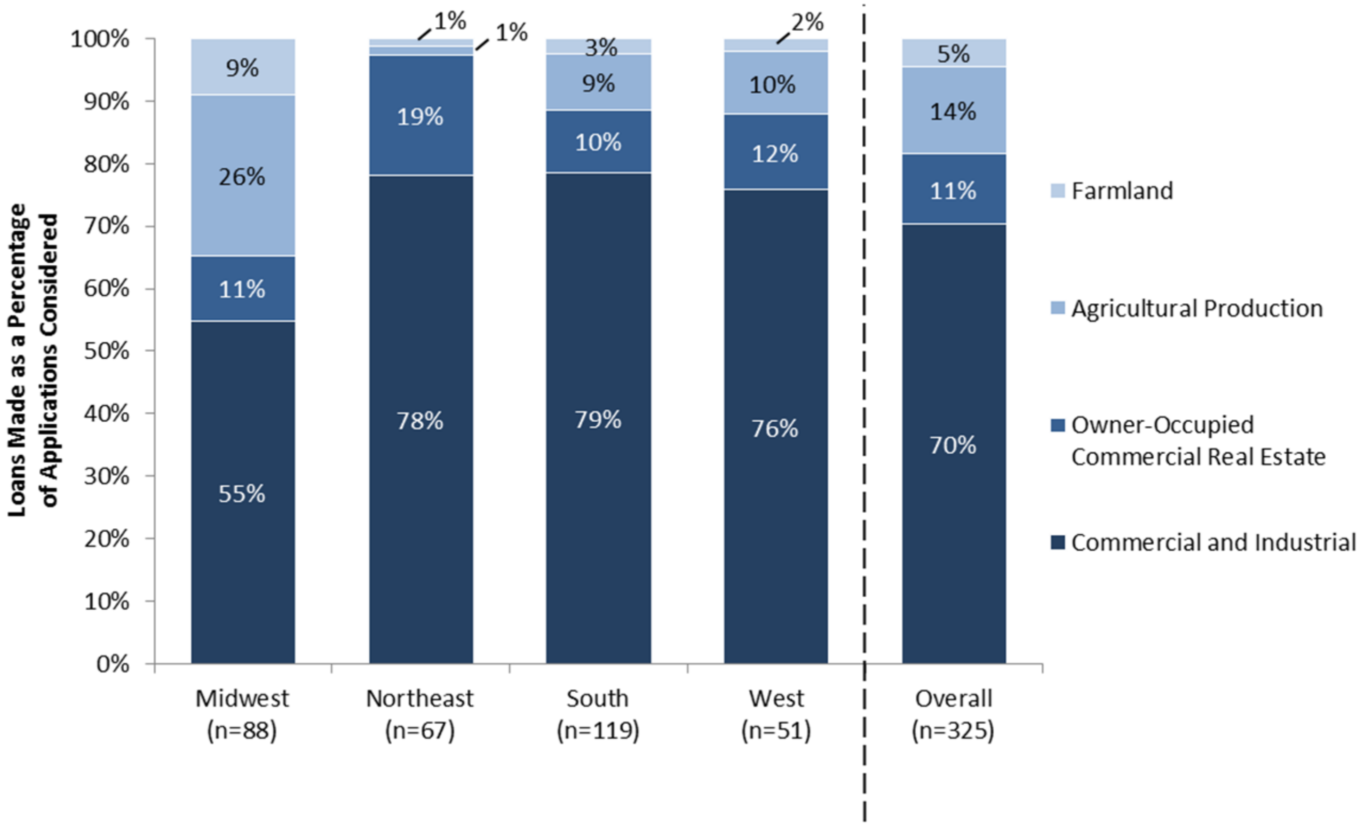
Number of Small Business Loan Applications Considered and Loans Made by Loan Type
(From July 1, 2011 to June 30, 2012)



Small Business Loans by Loan Type and Regional Geography
Participants reported that the largest percentage of small business loans they made by number were commercial and industrial loans (70 percent), followed by agricultural production (14 percent), owner-occupied commercial real estate (11 percent), and farmland (5 percent). The percentages were similar across regional geography, although institutions in the Midwest made a relatively smaller percentage of commercial and industrial loans (55 percent) and a relatively larger

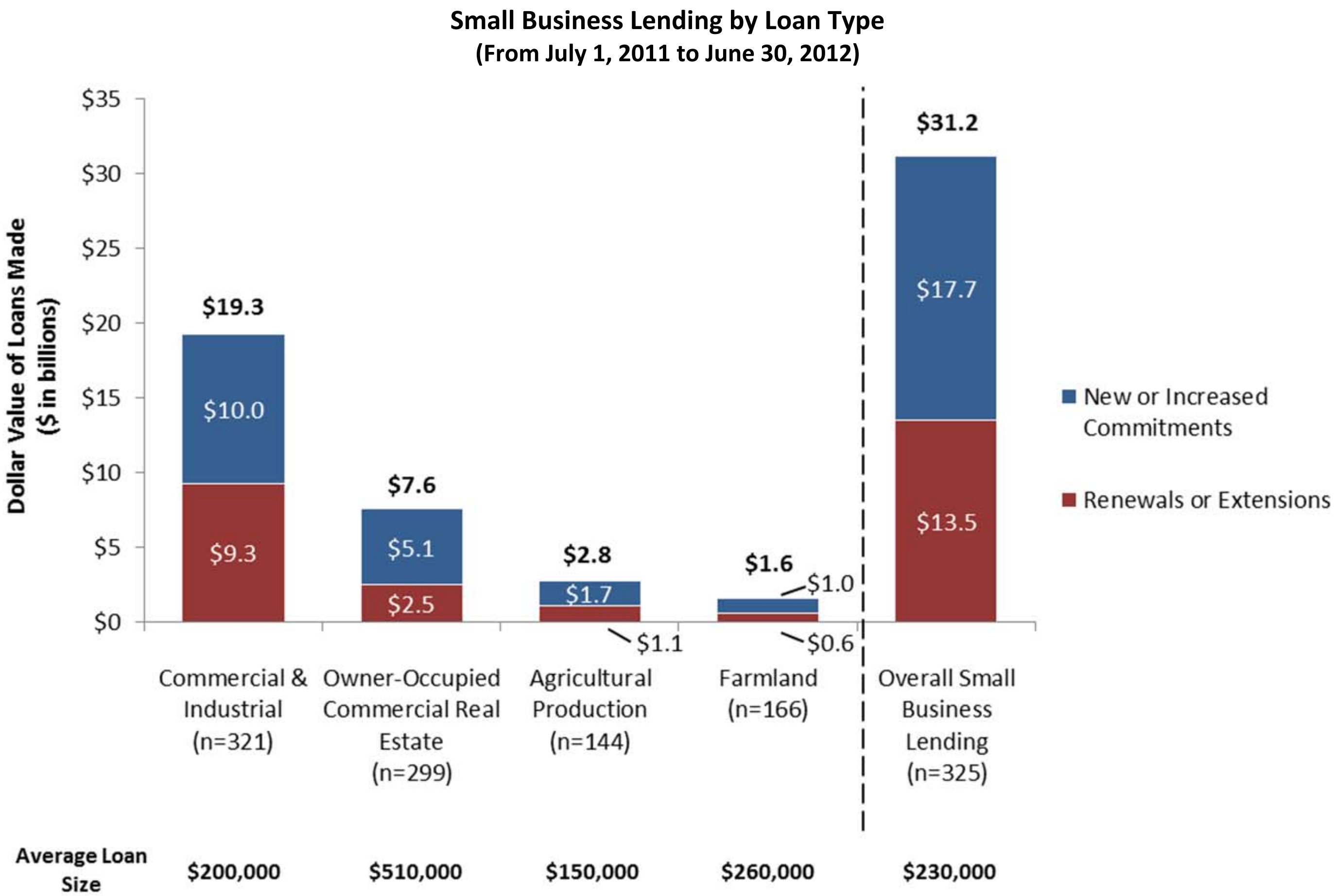
percentage of loans supporting agricultural production and farmland (26 percent and 9 percent, respectively). The following graph shows the percentage of small business loans made across the four categories of small business lending by regional geography.

Percentage of Small Business Loans Made by Loan Type and Regional Geography
(From July 1, 2011 to June 30, 2012)



Dollar Value of Small Business Loans Made by Participants
For the year ended June 30, 2012, participants reported extending approximately $31.2 billion in loans that qualified as small business lending. This lending includes approximately $17.7 billion (57 percent) in new or increased lending commitments and $13.5 billion (43 percent) in renewals or extensions. Across the four categories of small business lending, participants reported $19.3 billion in commercial and industrial loans (62 percent), $7.6 billion in owner-occupied commercial real estate loans (24 percent), $2.8 billion in agricultural production loans (9 percent), and $1.6 billion in farmland loans (5 percent).

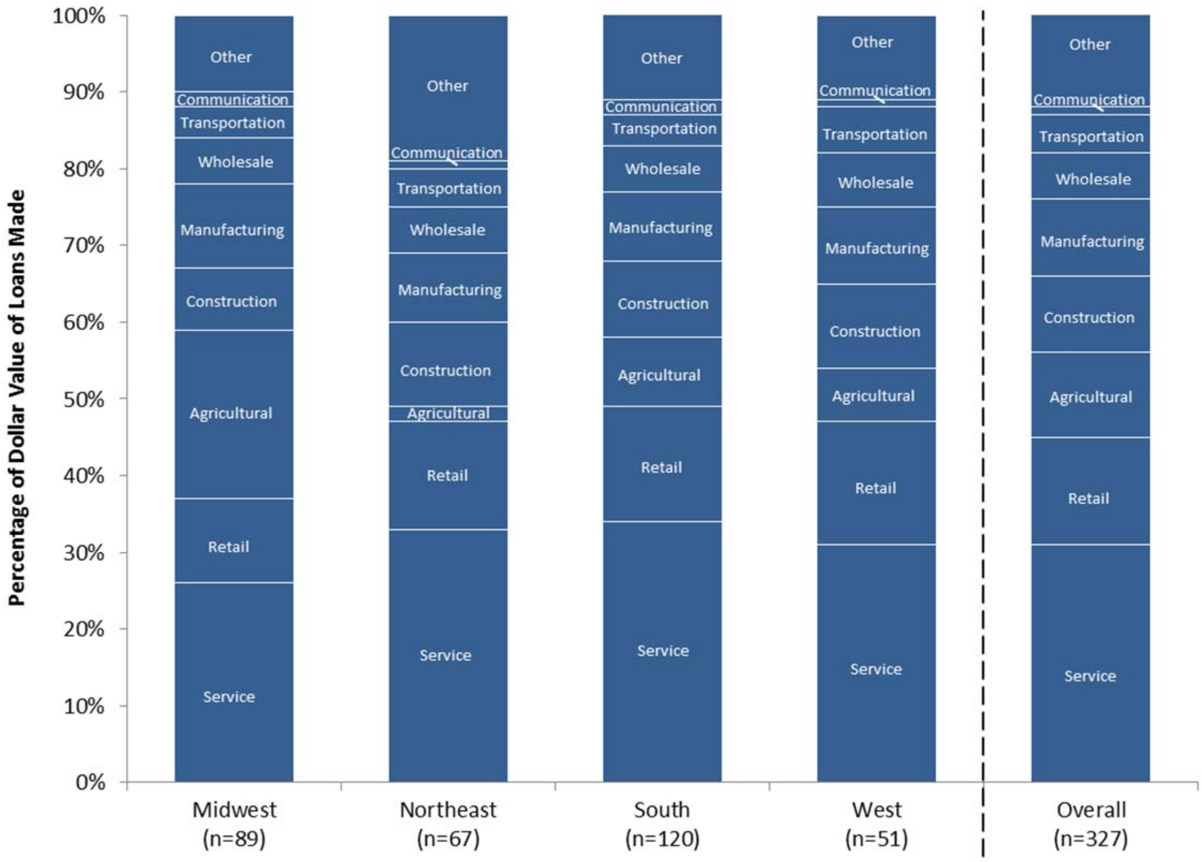
Participants also reported that owner-occupied commercial real estate loans had the largest average dollar value at approximately $510,000, followed by farmland loans at $260,000, commercial and industrial loans at $200,000, and agricultural production loans at $150,000. The following graph shows the dollar value of small business loans made by participants across the four categories of small business lending.



New or Increased Small Business Lending by Industry

As noted, participants reported that they have made $17.7 billion in new or increased small business loan commitments. The following graph shows the percentage of the dollar value of loans made across industries by regional geography.

Percentage of New Small Business Lending Across Industries by Regional Geography
(From July 1, 2011 to June 30, 2012)

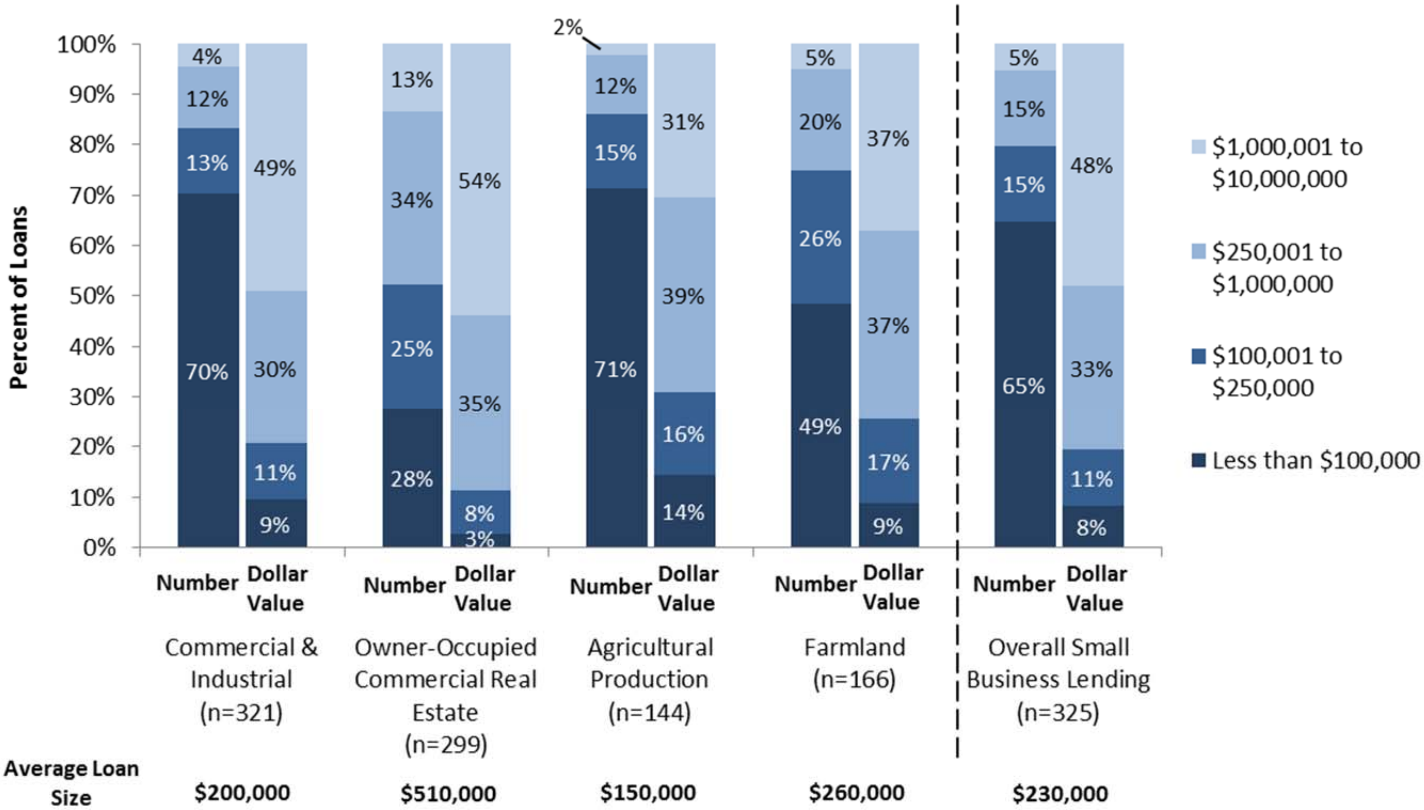


The participants that noted "other" categories of small businesses indicated in their qualitative descriptions that these included real estate, recreation, mining, energy, and education, among others.

Small Business Loans Made by Loan Size

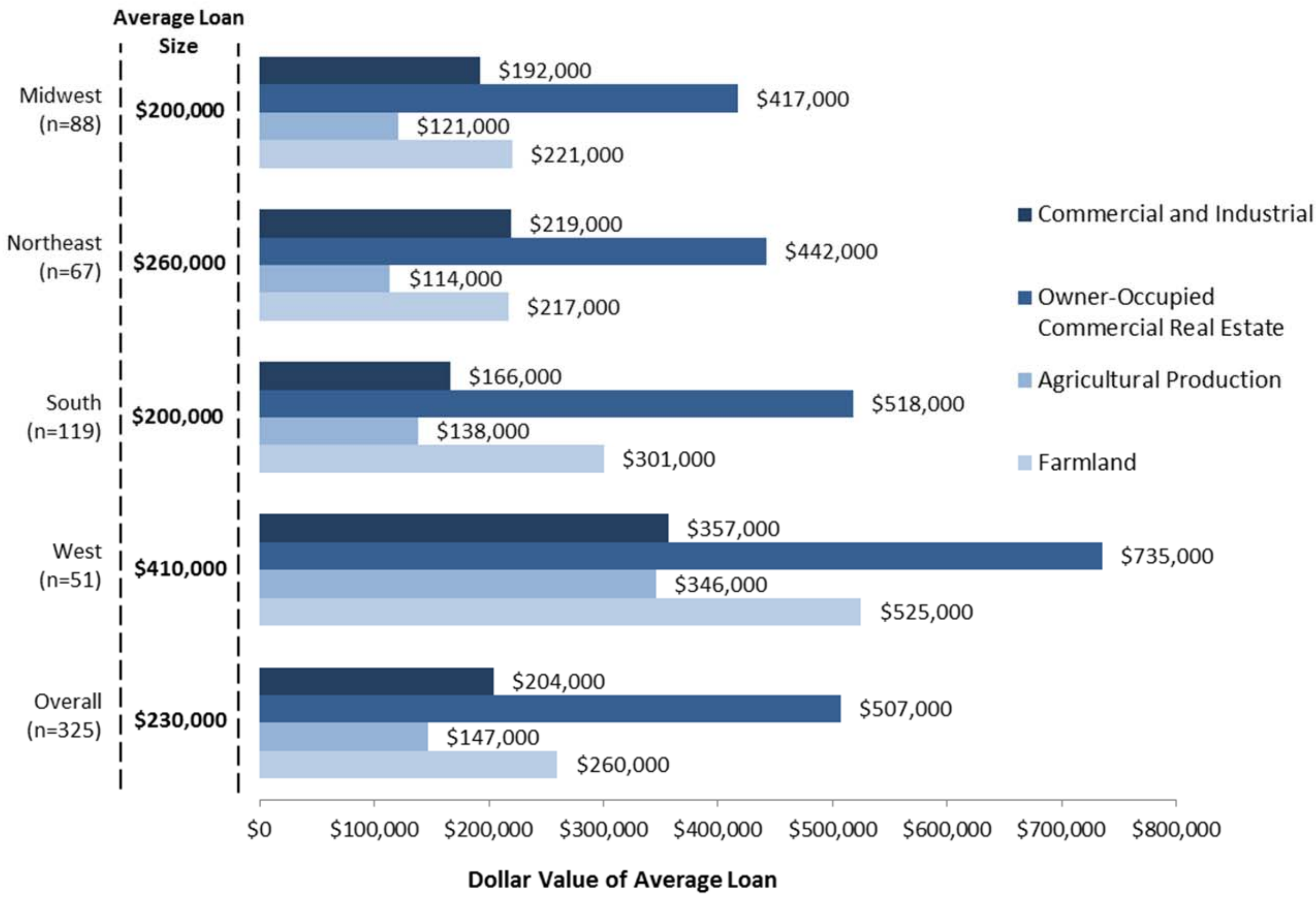
For the year ended June 30, 2012, participants reported that approximately 80 percent of the 134,000 loans they made were for dollar values of $250,000 or less, representing approximately $6.1 billion in small business lending. Similarly, approximately 95 percent of the loans were for dollar values of $1 million or less, representing $16.2 billion in small business lending. The following graph shows the relationship between the percentage of the number and dollar value of small business loans by size across the four categories of small business lending.

Percentage of Small Business Loans Made by Loan Size and Loan Type
(From July 1, 2011 to June 30, 2012)

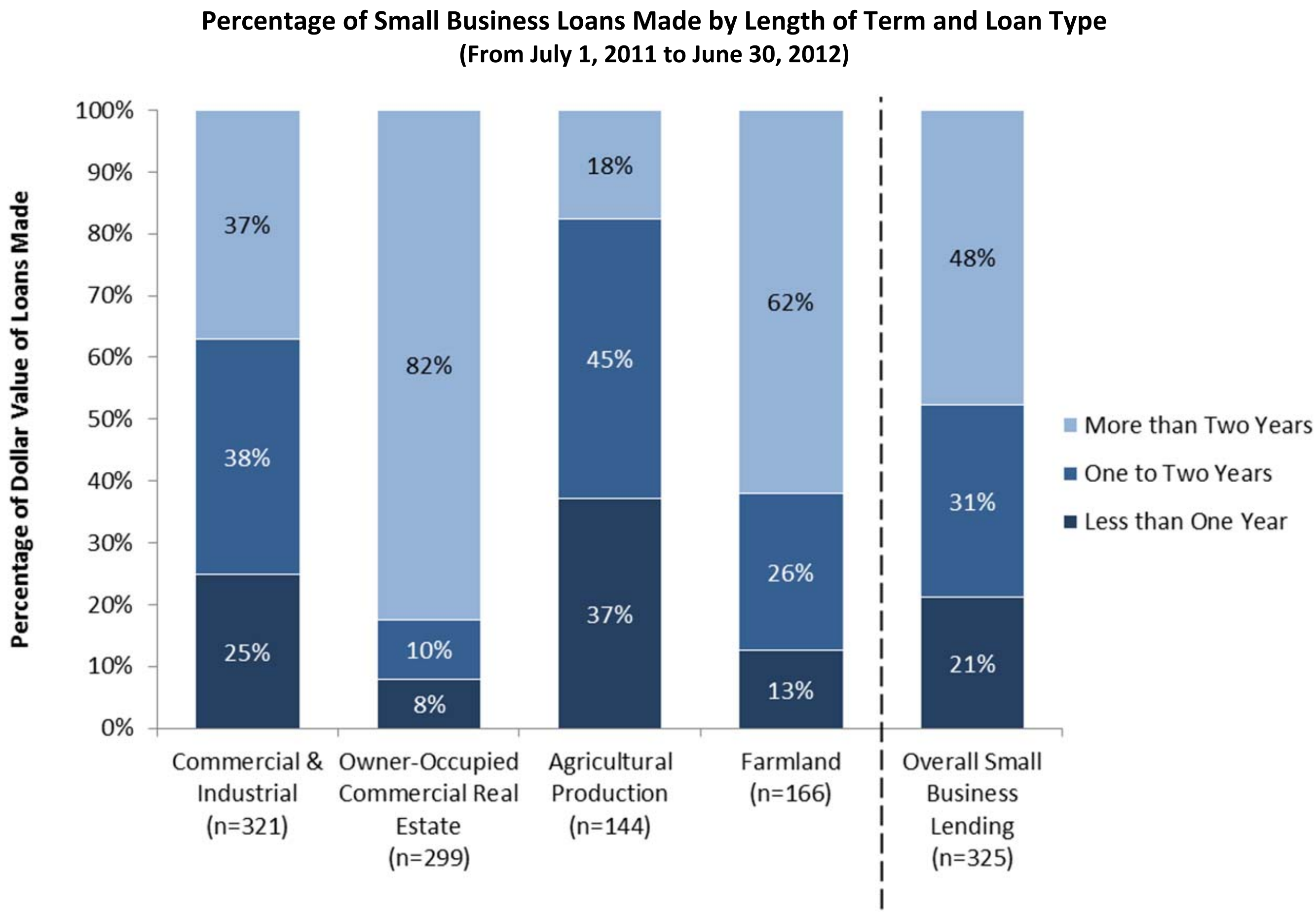


By regional geography, participants reported the largest average dollar value of small business loans in the West ($410,000), followed by the Northeast ($260,000) and the South and Midwest (both at $200,000). The significantly larger average in the West reflects a concentration of owner-occupied commercial real estate loans with an average dollar value of $735,000 compared to $518,000 in the South, $442,000 in the Northeast, and $417,000 in the Midwest. The following graph shows the average dollar value of each of the four categories of small business loans by regional geography.

Average Dollar Value of Small Business Loans by Loan Type and Regional Geography
(From July 1, 2011 to June 30, 2012)



Length of Term for Small Business Loans
For the year ended June 30, 2012, participants reported that 48 percent of the small business loans they made were for a term of more than two years, 31 percent were for one to two years, and 21 percent were for less than one year. These varied significantly among loan type, with a larger percentage of secured loans (owner-occupied commercial real estate and farmland) evidencing longer terms. The following graph shows the percentage of the dollar value of small business loans by length of term across the four categories of small business lending.

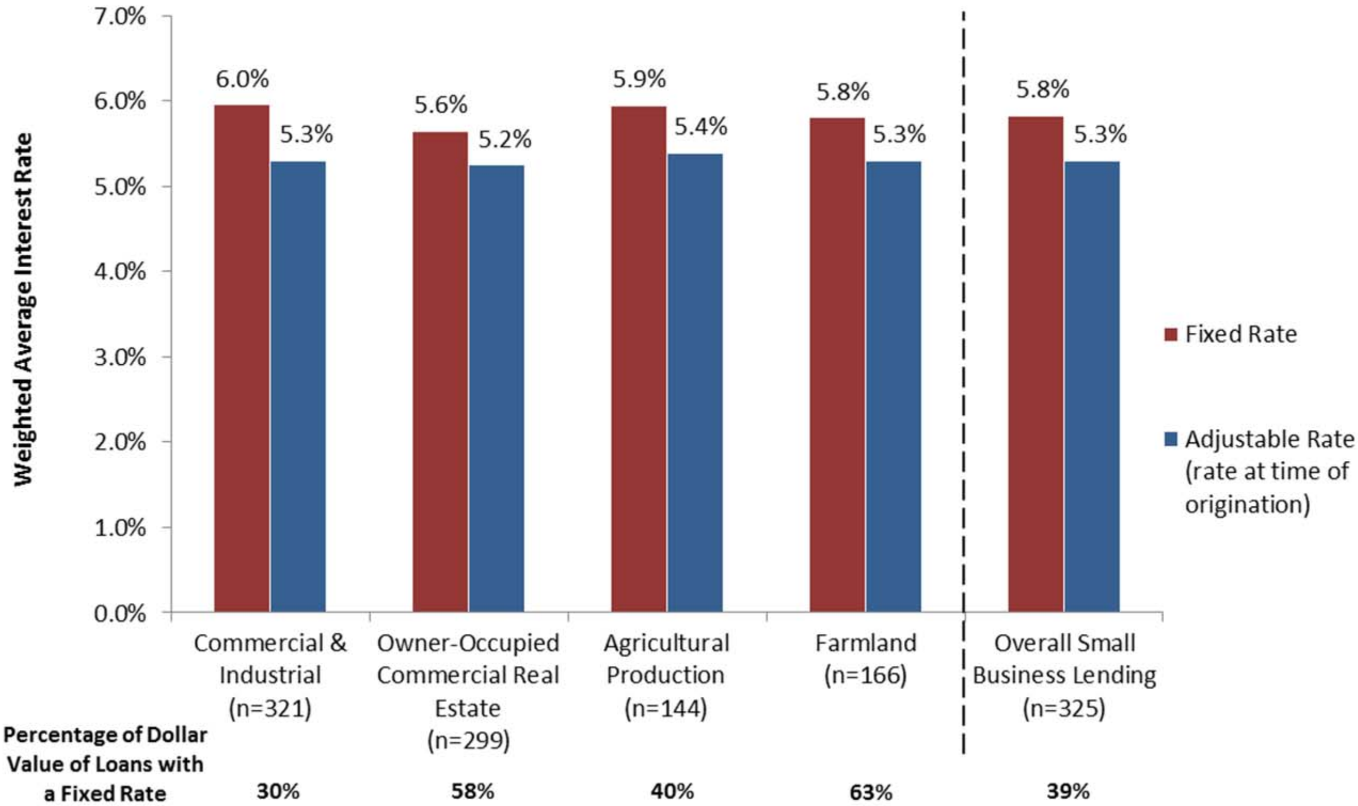


Weighted Average Interest Rates for Small Business Loans

For the year ended June 30, 2012, participants reported that 61 percent of their small business lending had an adjustable interest rate at the time of origination, with 39 percent using a fixed rate. The weighted average interest rate[6] for adjustable rate loans was approximately 5.3 percent, while the weighted average fixed rate was 5.8 percent. These results were similar across the four categories of small business lending, with agricultural production lending reporting slightly higher interest rates and owner-occupied commercial real estate lending reporting slightly lower rates. The following graph shows the weighted average interest rates for small business loans across the four categories of small business lending.

[6] To calculate the weighted average rates on overall small business lending, Treasury calculated the average rate in each category and weighted the results by the dollar amount of lending in each category.

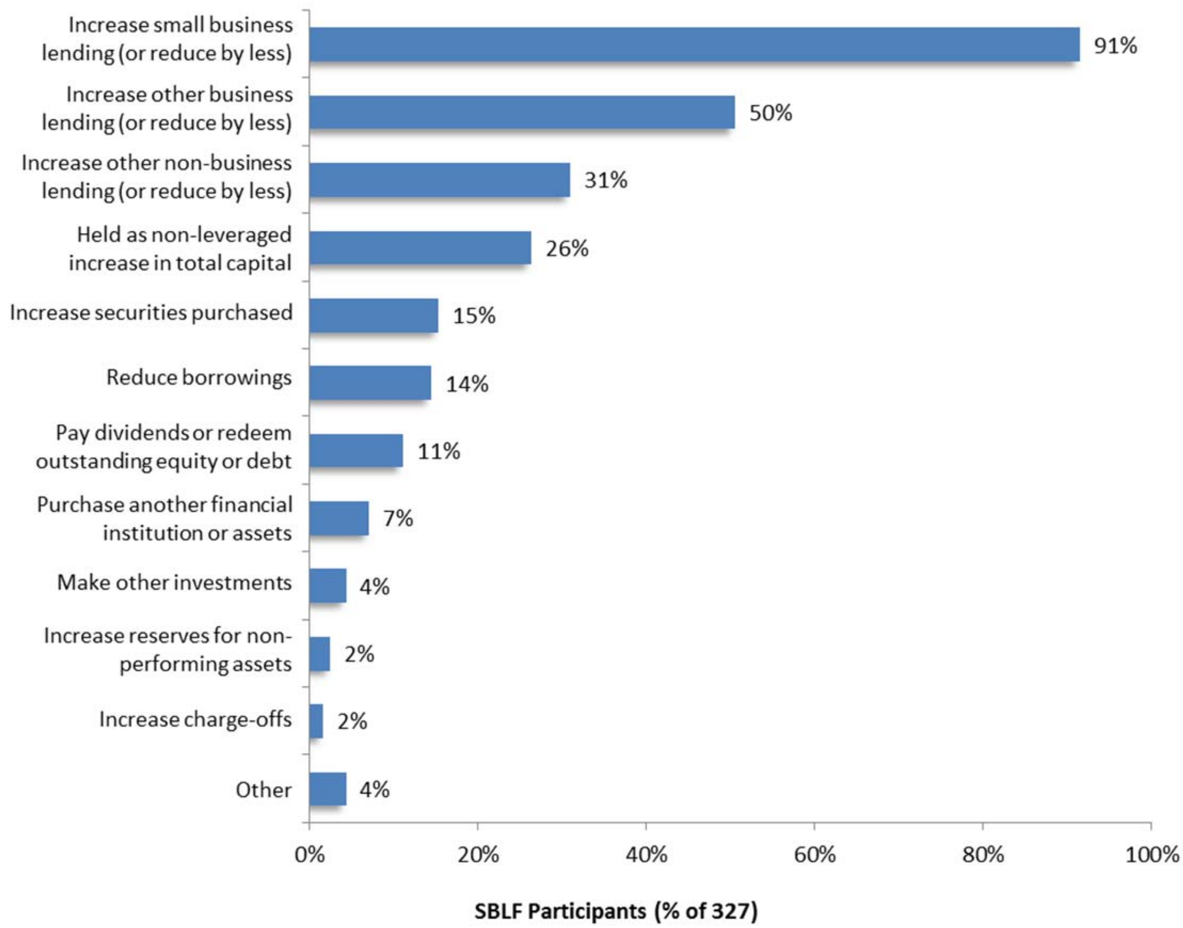
Weighted Average Interest Rates for Small Business Loans by Loan Type
(From July 1, 2011 to June 30, 2012)



PARTICIPANT USE OF SBLF FUNDING

For the year ended June 30, 2012, a significant majority of participants (91 percent) reported that they were able to increase small business lending (or reduce it by less than otherwise would have occurred) with SBLF funding. In addition, 50 percent of participants reported that they were able to increase business lending and 31 percent reported they were able to increase non-business lending (or, in each case, reduce it by less than otherwise would have occurred) with SBLF funding.[7] The following graph shows the percentage of participants that reported action(s) that they were able to take that may not have been taken without SBLF funding.

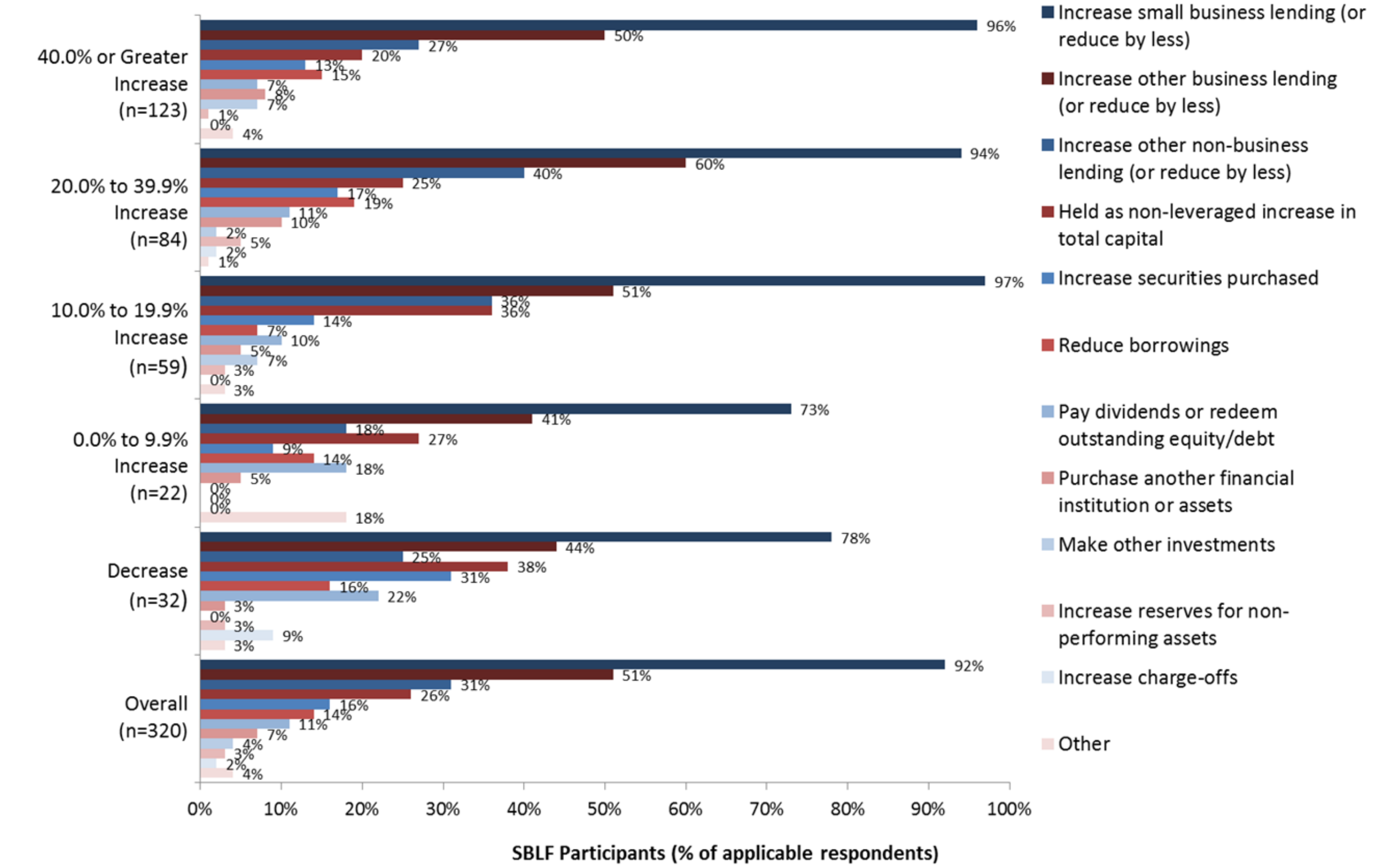
Actions Taken by SBLF Participants
(From July 1, 2011 to June 30, 2012)



[7] The question noted that cash associated with SBLF funding may not be readily distinguishable from other cash sources and that institutions may need to estimate how the SBLF funding was deployed or how many dollars were allocated to each use.

Institutions reported similar results across geographic regions and size. Of those SBLF participants that had increased small business lending as of December 31, 2012, 94 percent noted that they may not have been able to take that action without the SBLF funding. Among the minority of SBLF participants (32 institutions) that had not increased their small business lending as of December 31, 2012, 78 percent reported that SBLF funding enabled them to reduce small business lending by less than would otherwise have occurred. The following graph shows the percentage of participants by increase in small business lending reporting action(s) that they were able to take that may not have been taken without SBLF funding.

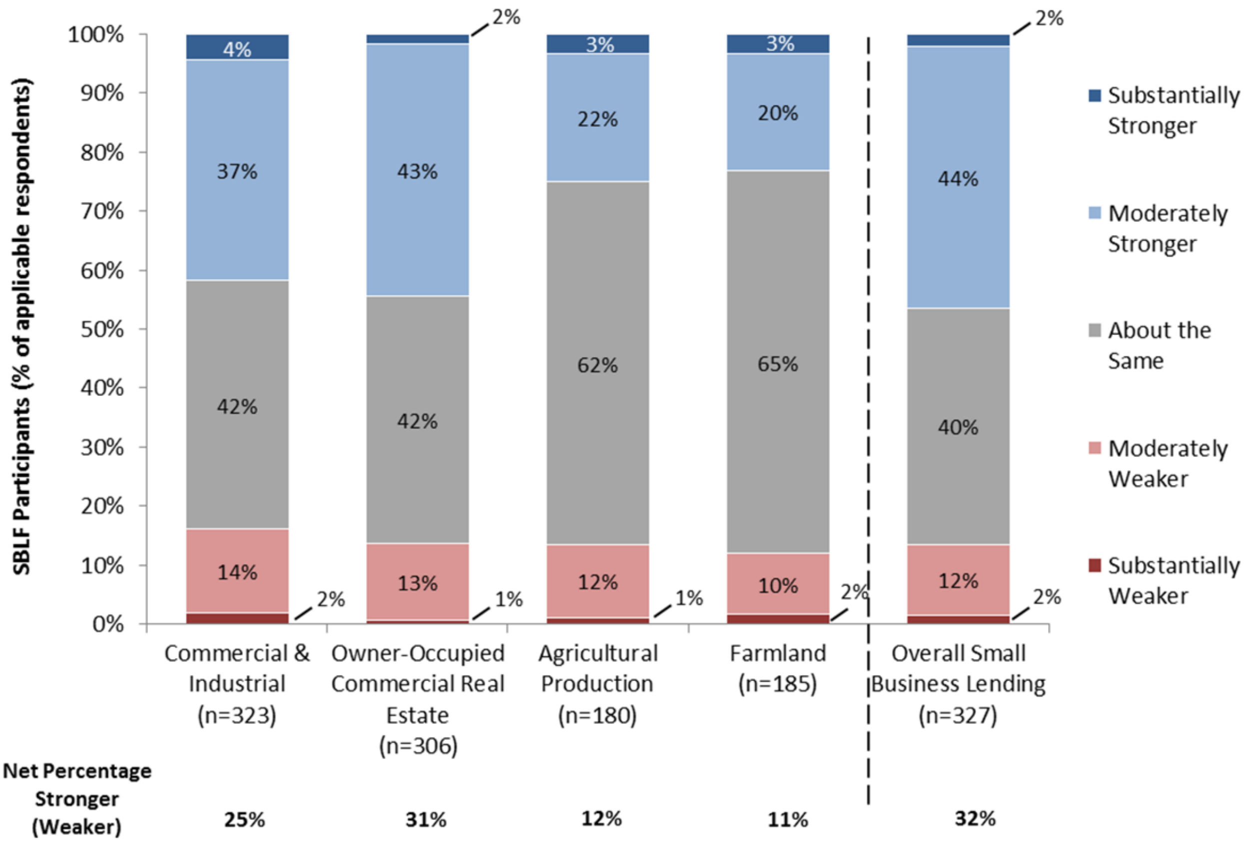
Actions Taken by Participants' Percentage Change in Qualified Small Business Lending
(From July 1, 2011 to June 30, 2012)



DEMAND FOR SMALL BUSINESS LENDING

For the year ended June 30, 2012, participants reported net stronger demand for small business lending, with 46 percent reporting stronger demand compared to 14 percent reporting weaker demand (net 32 percent reporting stronger demand).[8] The results are similar across the four categories of small business lending, with the largest net percentages of participants reporting stronger demand for owner-occupied commercial real estate loans (net 31 percent) and commercial and industrial loans (net 25 percent). Participants also reported net stronger demand for agricultural production and farmland loans (net 12 percent and net 11 percent, respectively). The following graph shows the percentage of participants that reported changes in demand for small business lending by loan type.

Changes in Demand for Small Business Lending by Loan Type[9]
(From July 1, 2011 to June 30, 2012)



[8] For questions that ask about loan demand in this report, reported net percentages equal the percentage of participants that reported stronger demand ("substantially stronger" or "moderately stronger") minus the percentage of participants that reported weaker demand ("substantially weaker" or "moderately weaker").

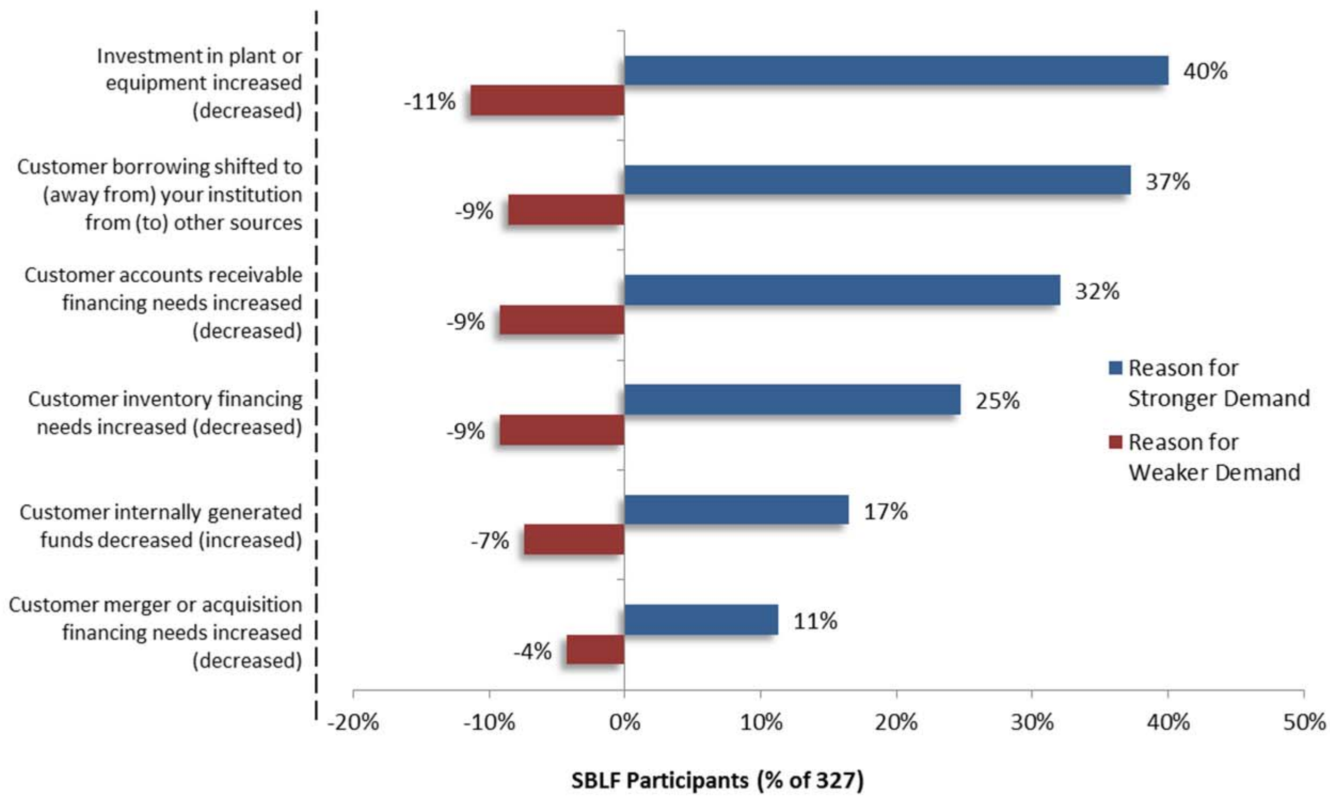
[9] In responding to the survey, participants reported on changes in loan demand for each of the four small business loan types and, separately, for overall small business lending. In some cases, participants reported that demand for overall small business lending was "moderately stronger," but did not attribute the stronger demand to one of the four loan types.

Across regional geography, the largest net percentage of participants reporting stronger demand was in the West (net 39 percent), followed by the Northeast (net 37 percent), the South (net 33 percent), and the Midwest (net 27 percent).

Reasons for Changes in Small Business Loan Demand

Of the 152 participants (46 percent) that reported stronger demand for small business lending, the most commonly cited reasons were that the borrower (i) increased their investment in plant or equipment, (ii) shifted their borrowing from a less attractive source, and (iii) increased their accounts receivable financing. The 44 participants (13 percent) that reported weaker demand for small business lending most commonly cited (i) decreased investment in plant or equipment, (ii) decreased inventory financing needs, and (iii) decreased accounts receivable financing needs. The following graph shows the percentages of participants that reported certain reasons for change in small business loan demand, with positive figures indicating the responses of institutions that reported stronger demand and negative figures showing the responses of institutions that reported weaker demand.

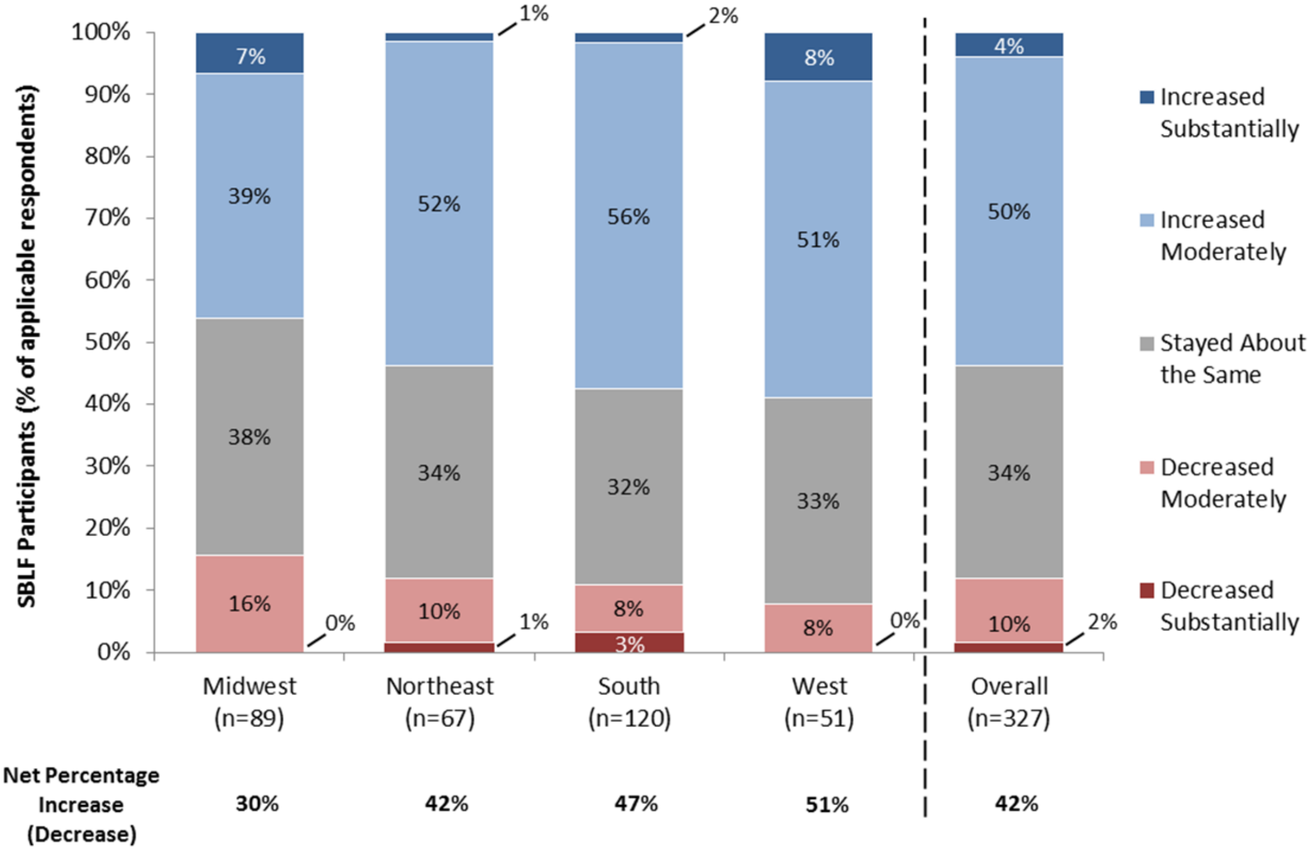
Percentage of Participants Reporting Reasons for Change in Small Business Loan Demand[10]
(From July 1, 2011 to June 30, 2012)



[10] The percentages sum vertically to greater than 100 percent because participants could choose multiple answers. The percentages sum horizontally to less than 100 percent because no single answer was selected by all participants.

Changes in the Number of Inquiries from Potential Small Business Borrowers
For the year ended June 30, 2012, participants reported a net increase in the number of inquiries from small business borrowers regarding the availability and terms of new lending, with 54 percent reporting an increase in inquiries and 12 percent reporting a decrease (net 42 percent reporting an increase in inquiries). These results were similar across geographic regions, with the largest net percentage of participants in the West reporting increases in inquiries (net 51 percent), followed by the South (net 47 percent), the Northeast (net 42 percent), and the Midwest (net 30 percent). The following graph shows the percentage of participants reporting changes in the number of inquiries they received from small business borrowers by regional geography.

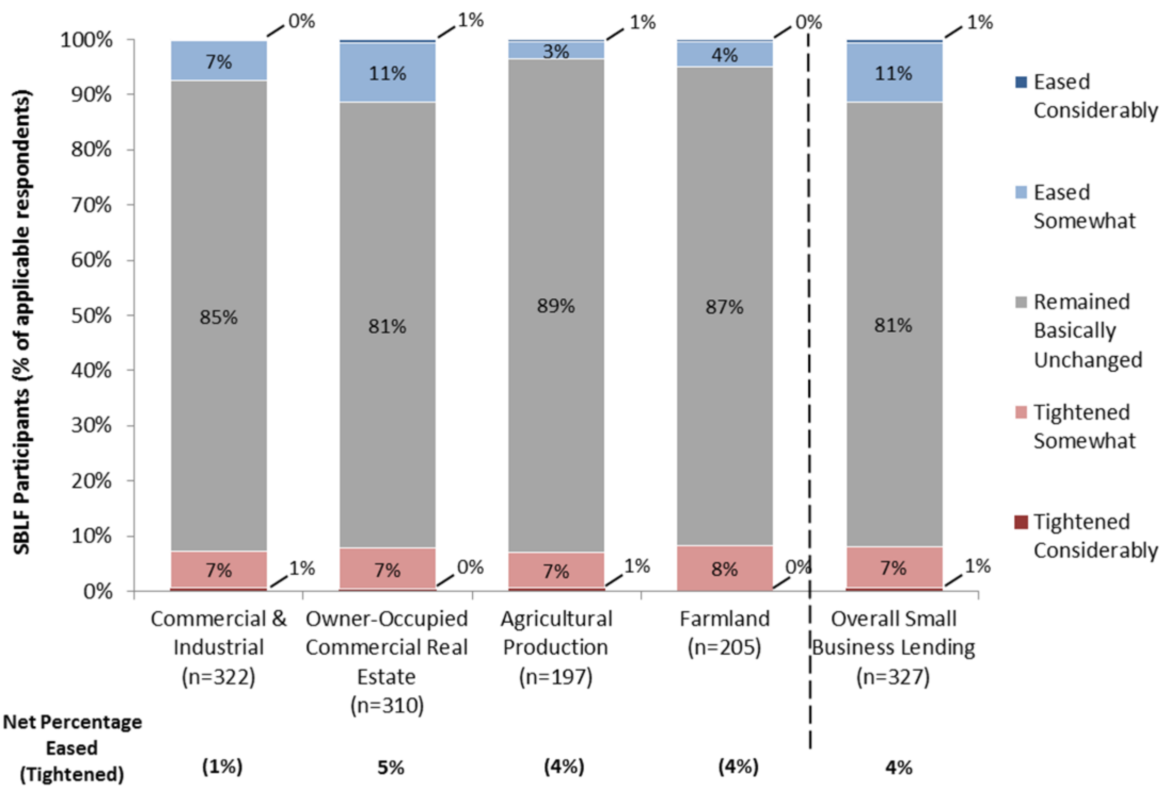
Changes in the Number of Inquiries from Small Business Borrowers by Regional Geography
(From July 1, 2011 to June 30, 2012)



CREDIT STANDARDS FOR SMALL BUSINESS LENDING

For the year ended June 30, 2012, a significant majority of SBLF participants (81 percent) reported credit standards for approving small business lending remain basically unchanged, with 12 percent reporting eased standards and 8 percent reporting tightened standards, or a net 4 percent reporting eased standards.[11] The results are similar across the four categories of small business lending, with more than 80 percent of participants reporting unchanged credit standards for each loan type. The following graph shows the percentage of participants that reported changes in credit standards for small business lending by loan type.

Changes in Credit Standards for Small Business Lending by Loan Type[12]
(From July 1, 2011 to June 30, 2012)



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[11] For questions that ask about credit standards in this report, reported net percentages equal the percentage of participants that reported having eased credit standards or terms ("eased considerably" or "eased somewhat") minus the percentage of participants that reported having tightened credit standards or terms ("tightened considerably" or "tightened somewhat").

[12] In responding to the survey, participants reported on changes in credit standards for each of the four small business loan types and, separately, for overall small business lending. In some cases, participants reported that credit standards for overall small business lending had "eased somewhat," but did not attribute the eased standards to one of the four loan types.

By regional geography, significant majorities of participants in each region reported that credit standards remained basically unchanged, with participants in the South reporting a net 8 percent eased and participants in the Midwest, Northeast, and West reporting net changes of less than 3 percent eased or tightened.

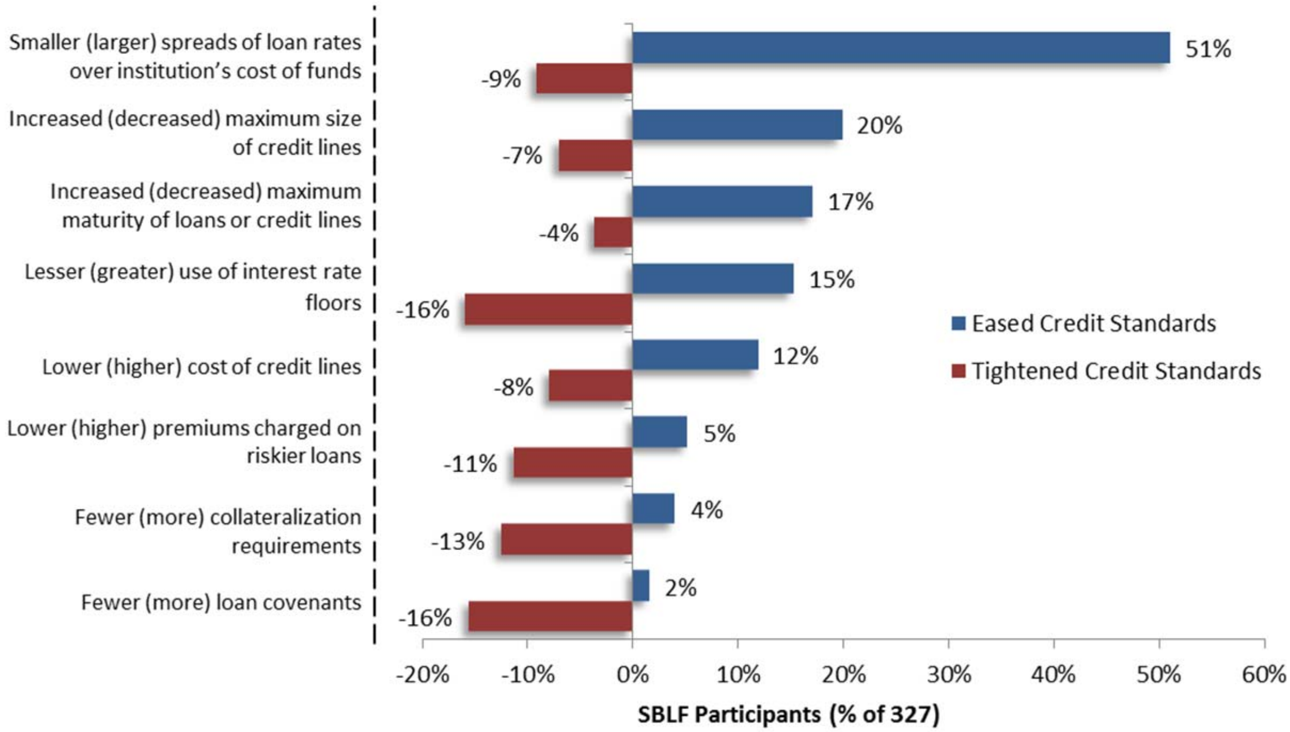
Reasons for Changes in Credit Standards

Of the 37 participants (12 percent) that reported eased standards for small business lending, the most commonly cited reasons for the change were (i) more aggressive competition from other financial institutions, (ii) more favorable or less uncertain economic outlook, and (iii) an improvement in the participant's current or expected capital position. The 26 participants (8 percent) that reported tightened standards for small business lending most commonly cited (i) reduced tolerance for risk, (ii) less favorable or more uncertain economic outlook, and (iii) increased concerns about the effects of legislative changes, supervisory actions, or changes in accounting standards.

Changes in Certain Terms for Small Business Loans

Participants reported that some terms for loans that they are willing to approve have changed over the year, with the largest percentage (51 percent) reporting smaller, or narrower spreads. More often than not, participants also reported eased terms related to loan size and maturity and tightened terms related to loan covenants and collateralization. The following graph shows the percentage of participants that reported eased and tightened standards related to certain terms of small business loans, with positive figures indicating the responses of institutions that reported eased credit standards and negative figures showing the responses of institutions that reported tightened credit standards.

Percentage of Participants Reporting Change in Certain Terms for Small Business Loans[13]
(From July 1, 2011 to June 30, 2012)

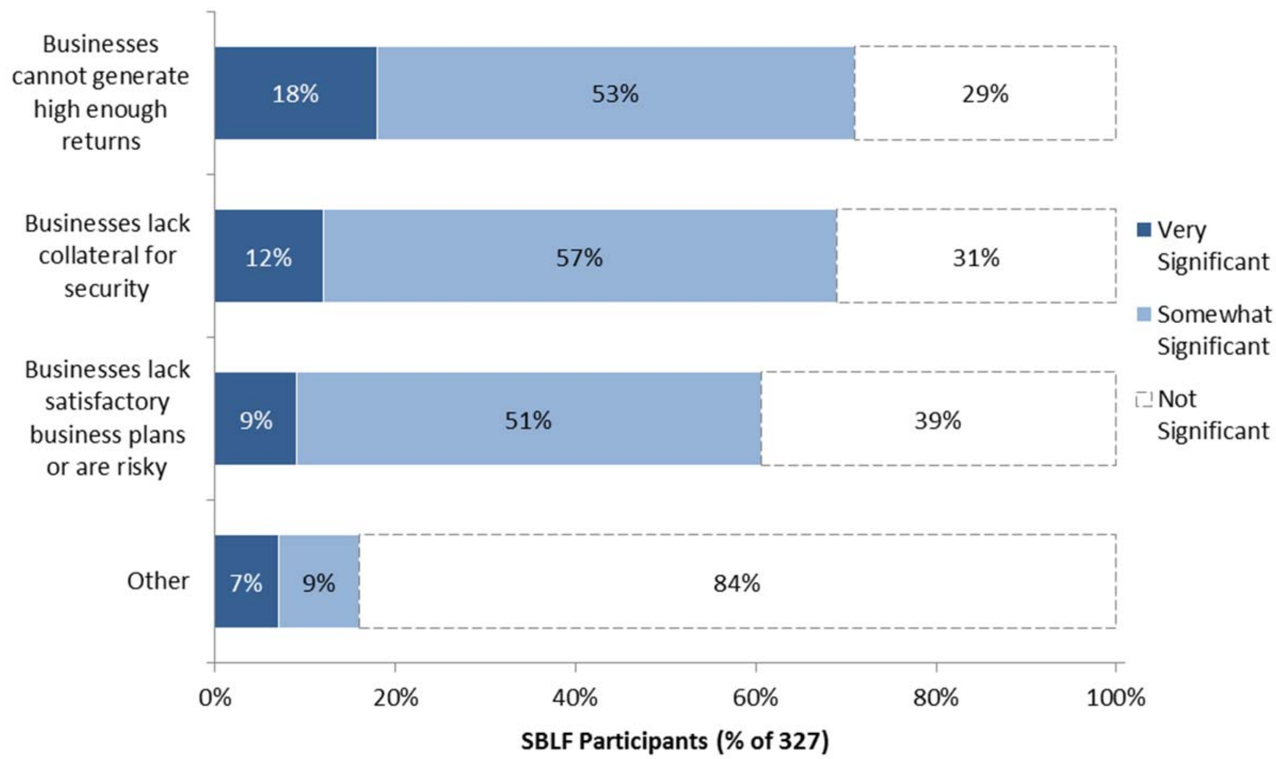


[13] The percentages sum vertically to greater than 100 percent because participants could choose multiple answers. The percentages sum horizontally to less than 100 percent because no single answer was selected by all participants.

OBSTACLES TO SMALL BUSINESS LENDING

For the year ended June 30, 2012, significant majorities of participants reported that returns, collateral, and risks have been obstacles to increasing small business lending. In total, 71 percent of participants reported that businesses' economic returns are an obstacle to small business lending in that some small businesses cannot generate high enough returns to attract risk investors or have insufficiently high levels of profitability, liquidity, or financial stability, among other factors. Similarly, 69 percent of the participants reported that collateral is an obstacle to small business lending in that some small businesses lack the collateral or assets that would be required as security for loans. In addition, approximately 60 percent reported that some small businesses lack satisfactory business plans or are risky for other reasons. The following graph shows the significance of returns, collateral, and risks as obstacles to increasing small business lending as reported by participants.

Obstacles to Increasing Small Business Lending
(From July 1, 2011 to June 30, 2012)

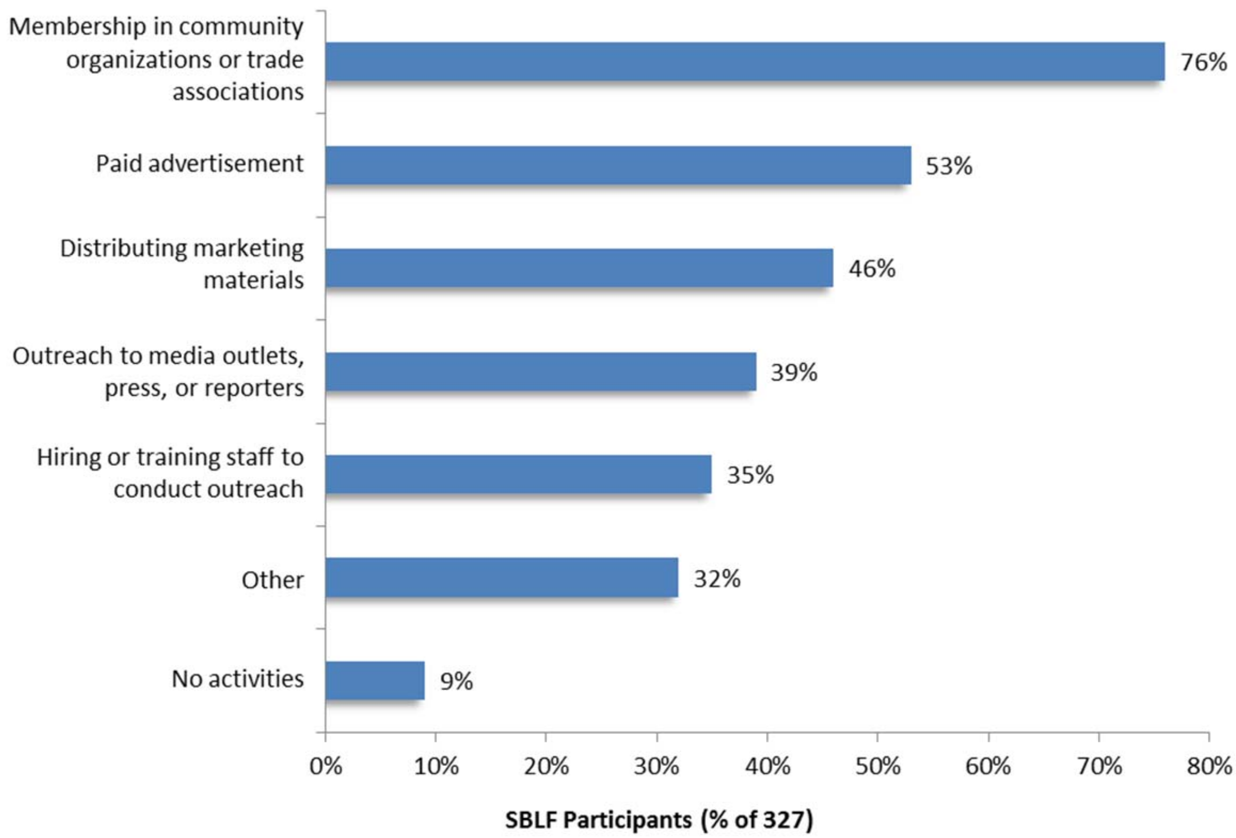


Of the 52 participants (16 percent) that cited "other" obstacles to small business lending, nearly half noted a lack of demand for new loans or a poor economic outlook. Other less commonly mentioned obstacles included increased competition from other lending institutions and regulatory uncertainty.

OUTREACH TO SMALL BUSINESSES

For the year ended June 30, 2012, 91 percent of participants reported engaging in outreach or advertising activities targeting women, veteran, or minority communities. In total, 76 percent of SBLF participants reported that they are members or participate in community organizations and/or trade associations that target women, veteran, or minority communities; 53 percent reported using paid advertisement or notices in print, radio, or electronic media to target women, veteran, or minority communities; and, 46 percent indicated that they distributed marketing materials targeting women, veteran, or minority communities. The following graph shows the percentage of participants that reported engaging in certain outreach and advertising activities targeting women, veteran, or minority communities.

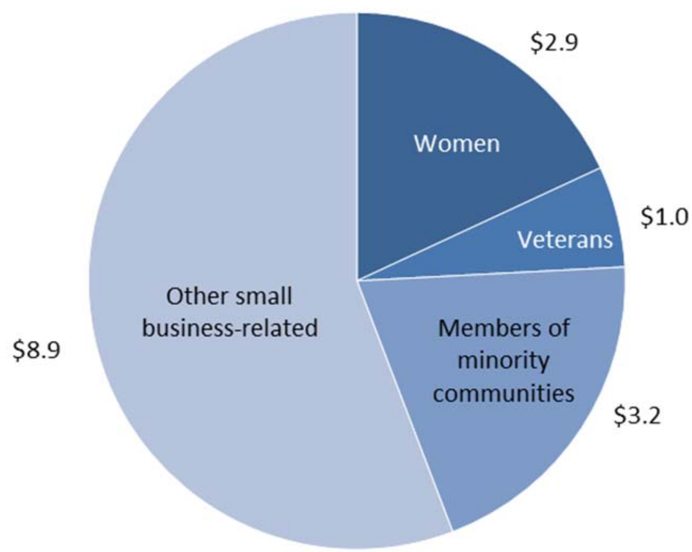
Outreach and Advertising Activities Targeting Women, Veteran, or Minority Communities
(From July 1, 2011 to June 30, 2012)



The 106 participants (32 percent) that indicated "other" outreach activities most commonly cited (i) conference and event sponsorships, (ii) hosting of, or participation in, workshops and receptions, and (iii) using social media.

In aggregate, participants reported expenditures of $16.0 million associated with small business-related outreach activities. Of this amount, $7.1 million (44 percent) was allocated to activities targeting women, veteran, or minority communities.

Dollar Value of Outreach Activities Targeting Women, Veteran, or Minority Communities
(From July 1, 2011 to June 30, 2012)



($ in millions)

APPENDIX A: SURVEY METHODOLOGY

The SBLF Lending Survey is an annual information collection required of all institutions participating in the SBLF program. The survey document was distributed to participants in August 2012 and covers lending from July 1, 2011 to June 30, 2012. Treasury asked that participants complete the survey by October 4, 2012. Responses were received from 327 participating institutions, including 276 community banks and 51 CDLFs. Institutions submitting incomplete responses received e-mails and phone calls from Treasury as reminders to complete the survey.

Measurement of Small Business Lending

The Act defines "small business lending" as business loans that are (i) $10 million or less in amount to businesses with $50 million or less in revenue and (ii) included in one of the following categories:

- Commercial and industrial loans
- Owner-occupied nonfarm, nonresidential real estate loans ("owner-occupied commercial real estate")
- Loans to finance agricultural production and other loans to farmers ("agricultural production")
- Loans secured by farmland ("farmland")

The SBLF program terms provide for additional adjustments to the calculation of small business lending relating to net charge-offs and portions of loans guaranteed by the U.S. government or for which risk has been assumed by third parties, as well as mergers and acquisitions and purchases of loans.

Changes in small business lending are calculated as the difference between the level of loans outstanding as of December 31, 2012 and the baseline amount. Participants report their baseline and changes in small business lending by submitting quarterly supplemental reports to Treasury. The most recent supplemental report includes lending information as of December 31, 2012.

Survey Design and Review

Treasury developed and designed the survey in 2012. A notice soliciting public comments was published in the Federal Register in April 2012 and one comment was received.

The practice of conducting any survey may introduce errors, such as difficulties interpreting a particular question, which can introduce idiosyncratic variability into the survey results. Treasury sought to reduce such variability by reviewing the survey with four participants in advance of publication. The purpose of this review was to confirm that each question was clearly stated and that institutions could answer questions using generally available business information. Staff within Treasury also reviewed a draft of the survey prior to its publication. In response to comments received through these reviews, Treasury made certain revisions to the content and format of the survey as appropriate. In addition, Treasury received inquiries from participants requesting clarification of certain portions of Question 9. In response, Treasury sent an email with additional guidance on this question to all survey participants.

The survey included 14 questions on topics including small business lending policies and practices, the use of SBLF funding, and outreach to small businesses. The following includes additional information on the survey questions.

- **Questions 1-6.** The language used in these questions is based on similar questions in the Federal Reserve's July 2012 Senior Loan Officer Opinion Survey (SLOOS), which is administered quarterly. Questions 1-3 request information from participants on changes in their credit standards for loans and credit lines that qualify as small business lending relative to longer-term norms. Questions 4-6 request information regarding changes in demand for loans and credit lines that qualify as small business lending relative to longer-term norms.

- **Question 7.** This question requests information from participants regarding possible obstacles to increasing small business lending over the year.

- **Question 8.** This question requests information from participants regarding the percentage of the total dollar value of new loan commitments or increases in outstanding loan commitments that qualify as small business lending that the participant has extended to small business borrowers in each of eight industries, as defined by the North American Industry Classification System (NAICS).

- **Question 9.** This question contains several parts and requests information from participants regarding the number, dollar value, length of term, and interest rates of loans or credit lines that the participant made over the year. The information is collected across each of the four categories of small business lending.

- **Question 10.** This question requests information from participants regarding their use of SBLF funding. The survey notes that the cash associated with the SBLF funding may not be readily distinguishable from other cash sources and that participants may need to estimate how the SBLF funding was deployed or how many SBLF dollars were allocated to each use.

- **Question 11.** This question requests that participants provide an updated estimate of the dollar amount of the increase in small business lending that they originally projected achieving two years following Treasury's investment. Participants provided initial estimates on small business lending plans that were generally submitted to their federal and state banking regulators at the same time as their application to Treasury for SBLF funding.

- **Questions 12-14.** These questions request information on outreach activities that participants engaged in over the year with respect to activities targeting women, veterans, and members of minority communities, as well as small business lending outreach more broadly.

Review of Individual Survey Responses

Treasury validated certain elements of each survey response to assess completeness and reasonableness. This review included assessing whether the participant had answered each question on the survey and whether the information provided by the participant was internally consistent in certain respects.

The validation process was conditional in certain instances based on the participant's response to a preceding question. For example, if a participant reported that its credit standards had "eased considerably," Treasury confirmed that the participant also answered the related question about the reason for the eased standards. Similarly, if a participant selected "other" as an obstacle to small business lending, Treasury confirmed that the participant described one or more obstacles in a written response.

Treasury also completed a series of arithmetic validations for certain survey responses. For example, if a participant reported that it had made $50 million in small business loans over the year, Treasury confirmed that the sum of the total dollar value of small business loans made in each of the four categories of small business lending was also $50 million. Similarly, if a participant reported that it considered 100 small business loan applications, Treasury confirmed that the reported total number of small business loans made was 100 or less.

In addition, Treasury compared the volume of lending reported on each survey with the lending balances reported by the participant on its quarterly supplemental reports. In some cases, it was clear that participants had not reported dollar values in thousands; as appropriate, these dollar values were divided by 1,000 prior to aggregation.

Review of Aggregate Survey Results

Following the receipt of completed surveys from program participants, Treasury aggregated the responses and reviewed certain aggregate results for reasonableness. For example, Treasury compared the aggregate results of Questions 1-6 to the results from similar questions related to credit standards and loan demand for commercial and industrial loans in the Federal Reserve's July 2012 SLOOS. Treasury found that the results of this survey were broadly consistent with the SLOOS survey results. For example, a significant majority of SLOOS participants reported that credit standards remain basically unchanged and a net percentage reported stronger loan demand.

Treasury similarly assessed the reasonableness of aggregate results for Questions 7 and 8. The aggregate results of Question 7 were compared to similar information on obstacles to small business lending reported in the Federal Reserve Bank of New York's Small Business Borrowers Poll (SBBP). The results of Question 8 were compared to information on small business lending by business category reported in the U.S. Census Bureau's Survey of Business Owners (SBO). In both cases, the results were broadly consistent.

In reviewing the aggregate responses to Question 9, Treasury performed a roll-forward analysis of reported small business loan stocks to assess the reasonableness of the reported new and renewal lending commitments over the year ended June 30, 2012. As of June 30, 2012, participants reported approximately $42.1 billion in small business lending, representing a $4.3 billion increase over the $37.8 billion reported as of June 30, 2011. Treasury found that the aggregate lending activity reported by participants over the year ended June 30, 2012 was broadly consistent with the results indicated by the roll-forward analysis.

Rounding

Throughout this report, due to rounding, percentages of a whole may not sum to exactly 100 percent. Also due to rounding, the results presented in the written report may differ slightly from the results shown in "Appendix B."

APPENDIX B: SURVEY RESULTS

The information in this appendix is a summary of the results from the SBLF Lending Survey.

Question 1) Over the past year, how have your institution's credit standards for approving applications for loans or credit lines that qualify as small business lending—other than those used to finance mergers and acquisitions—changed?

	Not applicable	Tightened considerably		Tightened somewhat		Remained basically unchanged		Eased somewhat		Eased considerably	
	#	#	%	#	%	#	%	#	%	#	%
Commercial and industrial loans (n=322)	5	2	1%	21	7%	275	85%	23	7%	1	0%
Midwest	0	2	2%	7	8%	71	80%	8	9%	1	1%
Northeast	3	0	0%	4	6%	59	92%	1	2%	0	0%
South	2	0	0%	6	5%	99	84%	13	11%	0	0%
West	0	0	0%	4	8%	46	90%	1	2%	0	0%
Owner-occupied nonfarm, nonresidential real estate (n=310)	17	1	0%	23	7%	251	81%	33	11%	2	1%
Midwest	4	1	1%	9	11%	67	79%	8	9%	0	0%
Northeast	6	0	0%	5	8%	52	85%	4	7%	0	0%
South	4	0	0%	6	5%	91	78%	17	15%	2	2%
West	3	0	0%	3	6%	41	85%	4	8%	0	0%
Loans to finance agricultural production and other loans to farmers (n=197)	130	1	1%	13	7%	176	89%	6	3%	1	1%
Midwest	25	1	2%	5	8%	55	86%	3	5%	0	0%
Northeast	37	0	0%	2	7%	27	90%	0	0%	1	3%
South	45	0	0%	5	7%	67	89%	3	4%	0	0%
West	23	0	0%	1	4%	27	96%	0	0%	0	0%
Loans secured by farmland (n=205)	122	0	0%	17	8%	178	87%	9	4%	1	0%
Midwest	22	0	0%	7	10%	55	82%	5	7%	0	0%
Northeast	38	0	0%	2	7%	27	93%	0	0%	0	0%
South	39	0	0%	6	7%	70	86%	4	5%	1	1%
West	23	0	0%	2	7%	26	93%	0	0%	0	0%
Overall small business lending (n=327)	0	2	1%	24	7%	264	81%	35	11%	2	1%
Midwest	0	2	2%	7	8%	68	76%	11	12%	1	1%
Northeast	0	0	0%	6	9%	55	82%	6	9%	0	0%
South	0	0	0%	7	6%	97	81%	15	13%	1	1%
West	0	0	0%	4	8%	44	86%	3	6%	0	0%

Question 2) For applications for loans or credit lines that qualify as small business lending—other than those used to finance mergers and acquisitions—that your institution currently is willing to approve, how have the terms of those loans changed over the past year?

	Tightened considerably		Tightened somewhat		Remained basically unchanged		Eased somewhat		Eased considerably	
	#	%	#	%	#	%	#	%	#	%
Maximum size of credit lines	0	0%	23	7%	239	73%	59	18%	6	2%
Maximum maturity of loans or credit lines	0	0%	12	4%	259	79%	55	17%	1	0%
Cost of credit lines	2	1%	24	7%	261	80%	31	10%	8	2%
Spreads of loan rates over institution's cost of funds (wider spreads=tightened, narrower spreads=eased)	2	1%	28	9%	130	40%	153	47%	14	4%
Premiums charged on riskier loans	0	0%	37	11%	273	83%	17	5%	0	0%
Loan covenants	1	0%	50	15%	271	83%	5	2%	0	0%
Collateralization requirements	2	1%	39	12%	273	83%	13	4%	0	0%
Use of interest rate floors (more use=tightened, less use=eased)	8	2%	44	13%	225	69%	47	14%	3	1%

Question 3) If your institution has tightened or eased its credit standards or terms for loans or credit lines that qualify as small business lending over the past year, how important have been the following possible reasons for the change?

A) If your institution's answer to question (1)(e) is "tightened considerably" or "tightened somewhat," how important have been the following possible reasons for the change?

	Not important		Somewhat important		Very important	
	#	%	#	%	#	%
Deterioration in your institution's current or expected capital position	15	58%	11	42%	0	0%
Less favorable or more uncertain economic outlook	5	19%	14	54%	7	27%
Worsening of industry-specific problems	14	54%	9	35%	3	12%
Less aggressive competition from other financial institutions	20	77%	6	23%	0	0%
Reduced tolerance for risk	4	15%	15	58%	7	27%
Decreased liquidity in the secondary market for these loans	23	88%	3	12%	0	0%
Deterioration in your institution's current or expected liquidity position	20	77%	5	19%	1	4%
Increased concerns about the effects of legislative changes, supervisory actions, or changes in accounting standards	8	31%	10	38%	8	31%

B) If your institution's answer to question 1(e) is "eased considerably" or "eased somewhat," how important have been the following possible reasons for the change?

	Not important		Somewhat important		Very important	
	#	%	#	%	#	%
Improvement in your institution's current or expected capital position	15	41%	18	49%	4	11%
More favorable or less uncertain economic outlook	8	22%	24	65%	5	14%
Improvement in industry-specific problems	24	65%	12	32%	1	3%
More aggressive competition from other financial institutions	4	11%	25	68%	8	22%
Increased tolerance for risk	16	43%	19	51%	2	5%
Increased liquidity in the secondary market for these loans	31	84%	6	16%	0	0%
Improvement in your institution's current or expected liquidity position	19	51%	14	38%	4	11%
Reduced concerns about the effects of legislative changes, supervisory actions, or changes in accounting standards	26	70%	9	24%	2	5%

Question 4) How has demand for loans that qualify as small business lending changed over the past year? (Please consider only funds actually disbursed as opposed to requests for new or increased lines of credit.)

	Not applicable	Substantially stronger		Moderately stronger		About the same		Moderately weaker		Substantially weaker	
	#	#	%	#	%	#	%	#	%	#	%
Commercial and industrial loans (n=323)	4	14	4%	121	37%	136	42%	46	14%	6	2%
Midwest	0	2	2%	31	35%	38	43%	17	19%	1	1%
Northeast	3	4	6%	27	42%	25	39%	7	11%	1	2%
South	1	5	4%	44	37%	51	43%	15	13%	4	3%
West	0	3	6%	19	37%	22	43%	7	14%	0	0%
Owner-occupied nonfarm, nonresidential real estate (n=306)	21	5	2%	131	43%	128	42%	40	13%	2	1%
Midwest	6	0	0%	35	42%	34	41%	14	17%	0	0%
Northeast	5	3	5%	25	40%	27	44%	7	11%	0	0%
South	5	1	1%	48	42%	47	41%	17	15%	2	2%
West	5	1	2%	23	50%	20	43%	2	4%	0	0%
Loans to finance agricultural production and other loans to farmers (n=180)	147	6	3%	39	22%	111	62%	22	12%	2	1%
Midwest	26	3	5%	16	25%	35	56%	8	13%	1	2%
Northeast	44	1	4%	3	13%	17	74%	2	9%	0	0%
South	47	0	0%	17	23%	48	66%	8	11%	0	0%
West	30	2	10%	3	14%	11	52%	4	19%	1	5%
Loans secured by farmland (n=185)	142	6	3%	37	20%	120	65%	19	10%	3	2%
Midwest	23	5	8%	16	24%	39	59%	6	9%	0	0%
Northeast	44	0	0%	2	9%	19	83%	1	4%	1	4%
South	45	0	0%	17	23%	47	63%	10	13%	1	1%
West	30	1	5%	2	10%	15	71%	2	10%	1	5%
Overall small business lending (n=327)	0	7	2%	145	44%	131	40%	39	12%	5	2%
Midwest	0	1	1%	39	44%	33	37%	15	17%	1	1%
Northeast	0	3	4%	29	43%	28	42%	7	10%	0	0%
South	0	1	1%	53	44%	51	43%	12	10%	3	3%
West	0	2	4%	24	47%	19	37%	5	10%	1	2%

Question 5) If demand for loans that qualify as small business lending has strengthened or weakened over the past year, how important have been the following possible reasons for the change?

A) If your institution's answer to question (4)(e) is "substantially stronger" or "moderately stronger," how important have been the following possible reasons for the change?

	Not important		Somewhat important		Very important	
	#	%	#	%	#	%
Customer inventory financing needs increased	71	47%	78	51%	3	2%
Customer accounts receivable financing needs increased	47	31%	99	65%	6	4%
Customer investment in plant or equipment increased	21	14%	115	76%	16	11%
Customer internally generated funds decreased	98	64%	45	30%	9	6%
Customer merger or acquisition financing needs increased	115	76%	35	23%	2	1%
Customer borrowing shifted to your institution from other bank or nonbank sources because these other sources became less attractive	30	20%	84	55%	38	25%

B) If your institution's answer to question (4)(e) is "substantially weaker" or "moderately weaker," how important have been the following possible reasons for the change?

	Not important		Somewhat important		Very important	
	#	%	#	%	#	%
Customer inventory financing needs decreased	14	32%	24	55%	6	14%
Customer accounts receivable financing needs decreased	14	32%	22	50%	8	18%
Customer investment in plant or equipment decreased	7	16%	20	45%	17	39%
Customer internally generated funds increased	20	45%	16	36%	8	18%
Customer merger or acquisition financing needs decreased	30	68%	12	27%	2	5%
Customer borrowing shifted from your institution to other bank or nonbank sources because these other sources became more attractive	16	36%	19	43%	9	20%

Question 6) At your institution, how has the number of inquiries from potential small business borrowers regarding the availability and terms of new credit lines or increases in existing lines that qualify as small business lending changed over the past year?

	Overall	Midwest	Northeast	South	West
	#	#	#	#	#
The number of inquiries has increased substantially	13	6	1	2	4
The number of inquiries has increased moderately	163	35	35	67	26
The number of inquiries has stayed about the same	112	34	23	38	17
The number of inquiries has decreased moderately	34	14	7	9	4
The number of inquiries has decreased substantially	5	0	1	4	0

	Overall	Midwest	Northeast	South	West
	%	%	%	%	%
The number of inquiries has increased substantially	4%	7%	1%	2%	8%
The number of inquiries has increased moderately	50%	39%	52%	56%	51%
The number of inquiries has stayed about the same	34%	38%	34%	32%	33%
The number of inquiries has decreased moderately	10%	16%	10%	8%	8%
The number of inquiries has decreased substantially	2%	0%	1%	3%	0%

Question 7) How significant have the following possible obstacles been in increasing your institution's small business lending over the past year?

	Not significant		Somewhat significant		Very significant	
	#	%	#	%	#	%
Collateral – small businesses lack the assets required for use as security	100	31%	188	57%	39	12%
Returns – small businesses cannot generate high enough returns to attract risk investors or have insufficiently high levels of profitability, liquidity, stability, or other financial performance metric	96	29%	172	53%	59	18%
Risks – small businesses lack satisfactory business plans or are risky for other reasons	129	39%	168	51%	30	9%
Other	275	84%	28	9%	24	7%

Question 8) Over the past year, estimate the percentage of the total dollar value of new loan commitments or increases in outstanding loan commitments that qualify as small business lending that your institution has extended to borrowers in each of the following categories of businesses (the sum of the percentages should total 100 percent)?

	Overall	Midwest	Northeast	South	West
	Average	Average	Average	Average	Average
Manufacturing	10%	11%	9%	9%	10%
Construction	10%	8%	11%	10%	11%
Transportation	5%	4%	5%	4%	6%
Communication	1%	2%	1%	2%	1%
Wholesale trade	6%	6%	6%	6%	7%
Retail	14%	11%	14%	15%	16%
Service	31%	26%	33%	34%	31%
Agricultural	11%	22%	2%	9%	7%
Other	13%	10%	19%	12%	11%
Total	100%	100%	100%	100%	100%

Question 9) Please provide the information requested in the following chart for loans or credit lines that qualify as small business lending you're your institution considered or made over the past year.

9)A & 9)B

	Commercial and industrial loans	**Owner-occupied nonfarm, nonresidential real estate loans**	**Loans to finance agricultural production and other loans to farmers**	**Loans secured by farmland**	**Total**
Total number of loan applications					
New commitments or increases in outstanding commitments	72,525	14,074	15,443	4,158	**106,200**
Renewals or extensions of outstanding commitments	42,863	6,626	5,806	2,452	**57,747**
All commitments	**115,388**	**20,700**	**21,249**	**6,610**	**163,947**
Total number of loans made					
New commitments or increases in outstanding commitments	54,356	9,368	13,092	3,680	**80,496**
Renewals or extensions of outstanding commitments	40,165	5,630	5,688	2,374	**53,857**
All commitments	**94,521**	**14,998**	**18,780**	**6,054**	**134,353**
Percentage of loans made					
All commitments	**82%**	**72%**	**88%**	**92%**	**82%**

	Midwest	**Northeast**	**South**	**West**	**Total**
Total number of loan applications					
New commitments or increases in outstanding commitments	35,027	10,043	46,136	14,994	**106,200**
Renewals or extensions of outstanding commitments	16,060	3,766	28,598	9,323	**57,747**
All commitments	**51,087**	**13,809**	**74,734**	**24,317**	**163,947**
Total number of loans made					
New commitments or increases in outstanding commitments	28,810	7,159	35,188	9,339	**80,496**
Renewals or extensions of outstanding commitments	15,335	3,339	27,086	8,097	**53,857**
All commitments	**44,145**	**10,498**	**62,274**	**17,436**	**134,353**
Percentage of loans made					
All commitments	**86%**	**76%**	**83%**	**72%**	**82%**

Question 9) Please provide the information requested in the following chart for loans or credit lines that qualify as small business lending you're your institution considered or made over the past year.

9)C

	Commercial and industrial loans	Owner-occupied nonfarm, nonresidential real estate loans	Loans to finance agricultural production and other loans to farmers	Loans secured by farmland	Total
Total dollar value of loans made (in					
New commitments or increases in	9,977,536	5,071,358	1,674,664	1,006,320	**17,729,878**
Renewals or extensions of outstanding	9,294,597	2,531,085	1,080,769	566,774	**13,473,225**
All commitments	**19,272,133**	**7,602,444**	**2,755,433**	**1,573,094**	**31,203,103**
Percentage of total dollar value of loans					
New commitments or increases in	52%	67%	61%	64%	**57%**
Renewals or extensions of outstanding	48%	33%	39%	36%	**43%**
All commitments	**100%**	**100%**	**100%**	**100%**	**100%**
Average dollar value of loans made					
All commitments	**203,893**	**506,897**	**146,722**	**259,844**	**232,247**

	Midwest	Northeast	South	West	Total
Total dollar value of loans made (in					
New commitments or increases in	5,302,239	1,709,950	7,533,102	3,184,587	**17,729,878**
Renewals or extensions of outstanding	3,534,259	1,016,731	5,043,244	3,878,990	**13,473,225**
All commitments	**8,836,499**	**2,726,682**	**12,576,346**	**7,063,577**	**31,203,103**
Percentage of total dollar value of loans					
New commitments or increases in	60%	63%	60%	45%	57%
Renewals or extensions of outstanding	40%	37%	40%	55%	43%
All commitments	**100%**	**100%**	**100%**	**100%**	**100%**
Average dollar value of loans made					
All commitments	**200,170**	**259,733**	**201,952**	**405,115**	**232,247**

Question 9) Please provide the information requested in the following chart for loans or credit lines that qualify as small business lending you're your institution considered or made over the past year.

9)D & 9)E

	Commercial and industrial loans		Owner-occupied nonfarm, nonresidential real estate loans		Loans to finance agricultural production and other loans to farmers		Loans secured by farmland		Total	
Total number and percent of loans made by size	#	%	#	%	#	%	#	%	#	%
$100,000 or less	66,329	70%	4,130	28%	13,373	71%	2,938	49%	**86,770**	**65%**
More than $100,000 up to $250,000	12,399	13%	3,696	25%	2,796	15%	1,594	26%	**20,485**	**15%**
More than $250,000 up to $1,000,000	11,575	12%	5,154	34%	2,194	12%	1,212	20%	**20,135**	**15%**
More than $1,000,000 up to $10,000,000	4,218	4%	2,018	13%	417	2%	310	5%	**6,963**	**5%**
Total	**94,521**	**100%**	**14,998**	**100%**	**18,780**	**100%**	**6,054**	**100%**	**134,353**	**100%**
Total dollar value (in thousands) and percent of loans made by size										
$100,000 or less	1,813,756	9%	205,307	3%	398,127	14%	138,130	9%	**2,555,320**	**8%**
More than $100,000 up to $250,000	2,159,919	11%	645,991	8%	450,910	16%	264,335	17%	**3,521,154**	**11%**
More than $250,000 up to $1,000,000	5,853,952	30%	2,661,543	35%	1,064,603	39%	587,982	37%	**10,168,080**	**33%**
More than $1,000,000 up to $10,000,000	9,444,505	49%	4,089,605	54%	841,796	31%	582,645	37%	**14,958,552**	**48%**
Total	**19,272,132**	**100%**	**7,602,446**	**100%**	**2,755,436**	**100%**	**1,573,092**	**100%**	**31,203,106**	**100%**

	Midwest		Northeast		South		West		Total	
Total number and percent of loans made by size	#	%	#	%	#	%	#	%	#	%
$100,000 or less	29,306	66%	6,043	58%	43,909	71%	7,512	43%	**86,770**	**65%**
More than $100,000 up to $250,000	7,095	16%	2,039	19%	7,888	13%	3,463	20%	**20,485**	**15%**
More than $250,000 up to $1,000,000	5,981	14%	1,841	18%	7,727	12%	4,586	26%	**20,135**	**15%**
More than $1,000,000 up to $10,000,000	1,763	4%	575	5%	2750	4%	1875	11%	**6,963**	**5%**
Total	**44,145**	**100%**	**10,498**	**100%**	**62,274**	**100%**	**17,436**	**100%**	**134,353**	**100%**
Total dollar value (in thousands) and percent of loans made by size										
$100,000 or less	989,571	11%	237,270	9%	1,026,634	8%	301,844	4%	**2,555,320**	**8%**
More than $100,000 up to $250,000	1,186,099	13%	355,979	13%	1,369,206	11%	609,870	9%	**3,521,154**	**11%**
More than $250,000 up to $1,000,000	2,930,428	33%	932,373	34%	3,903,459	31%	2,401,820	34%	**10,168,080**	**33%**
More than $1,000,000 up to $10,000,000	3,730,400	42%	1,201,058	44%	6,277,049	50%	3,750,044	53%	**14,958,552**	**48%**
Total	**8,836,498**	**100%**	**2,726,681**	**100%**	**12,576,349**	**100%**	**7,063,579**	**100%**	**31,203,106**	**100%**

Question 9) Please provide the information requested in the following chart for loans or credit lines that qualify as small business lending you're your institution considered or made over the past year.

9)F

	Commercial and industrial loans	**Owner-occupied nonfarm, nonresidential real estate loans**	**Loans to finance agricultural production and other loans to farmers**	**Loans secured by farmland**	**Total**
Total dollar value of loans made by length of term (in thousands)					
Less than one year	4,780,083	605,850	1,024,460	197,061	**6,607,454**
One to two years	7,366,286	726,626	1,246,359	401,523	**9,740,794**
More than two years	7,125,768	6,269,964	484,619	974,509	**14,854,860**
Total	**19,272,138**	**7,602,440**	**2,755,438**	**1,573,093**	**31,203,109**
Percentage of total dollar value of loans made by length of term					
Less than one year	25%	8%	37%	13%	**21%**
One to two years	38%	10%	45%	26%	**31%**
More than two years	37%	82%	18%	62%	**48%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**

	Midwest	**Northeast**	**South**	**West**	**Total**
Total dollar value of loans made by length of term (in thousands)					
Less than one year	1,959,128	446,220	2,723,921	1,478,185	**6,607,454**
One to two years	2,884,979	745,776	3,785,893	2,324,145	**9,740,794**
More than two years	3,992,391	1,534,686	6,066,531	3,261,253	**14,854,860**
Total	**8,836,499**	**2,726,682**	**12,576,345**	**7,063,583**	**31,203,109**
Percentage of total dollar value of loans made by length of term					
Less than one year	22%	16%	22%	21%	**21%**
One to two years	33%	27%	30%	33%	**31%**
More than two years	45%	56%	48%	46%	**48%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Question 9) Please provide the information requested in the following chart for loans or credit lines that qualify as small business lending you're your institution considered or made over the past year.

9)G & 9)H

	Commercial and industrial loans	Owner-occupied nonfarm, nonresidential real estate loans	Loans to finance agricultural production and other loans to farmers	Loans secured by farmland	Total
Total dollar value of loans made by type of interest rate (in thousands)					
Fixed	5,750,951	4,429,818	1,108,733	987,676	**12,277,179**
Adjustable Rate (at time of origination)	13,521,188	3,172,626	1,646,701	585,418	**18,925,934**
Total	**19,272,139**	**7,602,445**	**2,755,435**	**1,573,094**	**31,203,113**
Percentage of total dollar value of loans made by type of interest rate					
Fixed	30%	58%	40%	63%	**39%**
Adjustable Rate (at time of origination)	70%	42%	60%	37%	**61%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Interest rate of loans made by type (weighted average)					
Fixed	5.95%	5.65%	5.95%	5.80%	**5.83%**
Adjustable Rate (at time of origination)	5.29%	5.25%	5.39%	5.30%	**5.29%**
Total	**5.49%**	**5.48%**	**5.61%**	**5.62%**	**5.50%**

	Midwest	Northeast	South	West	Total
Total dollar value of loans made by type of interest rate (in thousands)					
Fixed	4,403,587	1,014,244	5,036,437	1,822,911	**12,277,179**
Adjustable Rate (at time of origination)	4,432,914	1,712,438	7,539,914	5,240,669	**18,925,934**
Total	**8,836,501**	**2,726,682**	**12,576,351**	**7,063,580**	**31,203,113**
Percentage of total dollar value of loans made by type of interest rate					
Fixed	50%	37%	40%	26%	**39%**
Adjustable Rate (at time of origination)	50%	63%	60%	74%	**61%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Interest rate of loans made by type (weighted average)					
Fixed	5.68%	5.72%	5.92%	5.96%	**5.83%**
Adjustable Rate (at time of origination)	5.22%	5.00%	5.35%	5.65%	**5.29%**
Total	**5.45%**	**5.27%**	**5.58%**	**5.73%**	**5.50%**

Question 10) Over the past year, what action(s) was your institution able to take that your institution may not have taken without the SBLF funding? (Please select all responses in the following chart that apply to your institution.)

	Overall	Midwest	Northeast	South	West
	#	#	#	#	#
Increase small business lending or reduce it by less than otherwise would have occurred	299	82	64	111	42
Increase other business lending or reduce it by less than otherwise would have occurred	165	45	37	60	23
Increase other non-business lending or reduce it by less than otherwise would have occurred	101	25	22	43	11
Increase securities purchased (e.g., ABS, MBS)	50	17	10	15	8
Make other investments	14	5	2	3	4
Increase reserves for non-performing assets	8	3	1	3	1
Reduce borrowings	47	14	12	16	5
Increase charge-offs	5	2	0	3	0
Purchase another financial institution or purchase assets from another financial institution	23	11	0	11	1
Held as non-leveraged increase in total capital	86	34	8	28	16
Pay dividends or redeem outstanding equity or debt	36	11	6	16	3
Other	14	3	2	4	5

	Overall	Midwest	Northeast	South	West
	%	%	%	%	%
Increase small business lending or reduce it by less than otherwise would have occurred	91%	92%	96%	93%	82%
Increase other business lending or reduce it by less than otherwise would have occurred	50%	51%	55%	50%	45%
Increase other non-business lending or reduce it by less than otherwise would have occurred	31%	28%	33%	36%	22%
Increase securities purchased (e.g., ABS, MBS)	15%	19%	15%	13%	16%
Make other investments	4%	6%	3%	3%	8%
Increase reserves for non-performing assets	2%	3%	1%	3%	2%
Reduce borrowings	14%	16%	18%	13%	10%
Increase charge-offs	2%	2%	0%	3%	0%
Purchase another financial institution or purchase assets from another financial institution	7%	12%	0%	9%	2%
Held as non-leveraged increase in total capital	26%	38%	12%	23%	31%
Pay dividends or redeem outstanding equity or debt	11%	12%	9%	13%	6%
Other	4%	3%	3%	3%	10%

Question 11) Given your institution's experience with the SBLF program to date, provide an updated estimate of the dollar amount of the increase in small business lending that your institution projects achieving two years following Treasury's investment. (Your institution provided its initial estimate on its small business lending plan that was submitted to your federal banking agency with its application.)

	Overall		Midwest		Northeast		South		West	
	$	#	$	#	$	#	$	#	$	#
Original Lending Plan Projection	8,993,562,113	316	2,204,319,772	87	1,200,249,741	65	4,168,132,250	117	1,420,860,350	47
Updated Lending Survey Projection	10,334,013,755	316	2,253,836,723	87	1,476,329,090	65	4,904,065,942	117	1,699,782,000	47
Increased	2,781,675,195	132	347,453,503	32	477,683,350	32	1,451,439,692	47	505,098,650	21
Decreases	(1,441,223,553)	94	(297,936,552)	22	(201,604,001)	17	(715,506,000)	40	(226,177,000)	15
No Change	0	90	0	33	0	16	0	30	0	11

Question 12) Over the past year, how has your institution engaged in outreach and advertising designed to target the following groups?

	Total number of institutions conducting outreach		Members of minority communities		Women		Veterans	
	#	%	#	%	#	%	#	%
No activities	31	9%	41	13%	46	14%	104	32%
Paid advertisement or notices in print, radio, TV, or electronic media communications	172	53%	150	46%	145	44%	93	28%
Outreach to media outlets, press, or reporters	128	39%	120	37%	113	35%	78	24%
Membership or participation in community organizations and/or trade associations	249	76%	223	68%	222	68%	135	41%
Distributing marketing materials targeted to these groups	149	46%	124	38%	125	38%	71	22%
Hiring or training staff to conduct outreach to these groups	115	35%	102	31%	90	28%	54	17%
Other	106	32%	90	28%	90	28%	67	20%

Question 12) Over the past year, how has your institution engaged in outreach and advertising designed to target the following groups?

Question 14) Please estimate the expenditures over the past year associated with the outreach and advertising activities for the groups detailed in question 12, above.

	Aggregate
Members of minority communities	$3,195,017
Women	$2,886,271
Veterans	$971,352
Other small business-related	$8,907,043
Total	$15,959,682