

STATE SMALL BUSINESS
CREDIT INITIATIVE:

A SUMMARY OF STATES'
**QUARTERLY
REPORTS**

AS OF
DECEMBER 31, 2014



SSBCI

Summary

On September 27, 2010, President Obama signed into law the Small Business Jobs Act of 2010 (P.L. 111-240) (the Act), creating the State Small Business Credit Initiative (SSBCI). SSBCI provides \$1.5 billion to new and existing state programs that support private-sector lending to, and investment in, small businesses and small manufacturers.

In 2011 and 2012, Treasury approved applications on a rolling basis from 47 states, the District of Columbia, five territories and municipalities in three states (approved entities will be referred to as States).¹ States could divide their allocation among several types of small business support programs: Loan Participation Programs (LPPs), Venture Capital Programs (VCPs), Loan Guarantee Programs (LGPs), Collateral Support Programs (CSPs), and Capital Access Programs (CAPs). States receive SSBCI funding in three equal disbursements which are paid out based on cumulative funds deployed.²

- **Funds deployed exceed \$1 billion:** Through December 31, 2014, States deployed a total of \$1,057,814,275. Of this total, \$992,591,660 was from original SSBCI allocations and \$65,222,615 was from recycled³ SSBCI funds. These funds support loans or investments to small businesses, including to intermediaries, and for administrative expenses related to the program.
- **Funds deployed increased 41 percent on the year:** The total amount of funds deployed increased from \$750,409,513 as of December 31, 2013 to \$1,057,814,275 as of December 31, 2014, a 41% increase.
- **Disbursements exceed \$1.1 billion:** As of December 31, 2014, \$1,184,310,722 out of \$1,457,591,353 or 81 percent of total allocated funds was disbursed to the

¹ North Dakota and Wyoming did not apply for SSBCI funding, however, consortiums of municipalities in each state are participating. Alaska withdrew its application.

² SSBCI funds deployed are those legally “expended, obligated, or transferred.” For clarification, SSBCI funds “expended” are funds used to support loans or investments or for administrative expenses. SSBCI funds “obligated” are funds legally committed to support loans or investments, including obligations to intermediaries, and for administrative expenses. SSBCI funds “transferred” are funds transferred to a contracting entity as reimbursement of expenses incurred or to fund a loan or investment. Funds “expended, obligated, or transferred” includes obligations to venture capital funds not yet linked to specific small business investments.

As of 12/31/13, Venture Capital Programs reported that the amount of funds expended, obligated, or transferred was 37% greater (\$89.5 million) than the amount expended to small businesses. The variance was due to SSBCI dollars that were obligated for investment in a small business or to a fund but not yet expended to a specific small business.

³ When a loan or investment supported with SSBCI funds is repaid, the State may then recycle the funds into another round of loans or investments. “Recycled Funds” refers to the deployed funds (expended, obligated, or transferred) that came to the State in the form of program income, interest earned, or principal repayments (funds that have been previously loaned or invested).

States. All 57 States received their first disbursement; 50 States received their second disbursement; 30 States received their third disbursement.

- **Recycled SSBCI funds exceed \$65 million:** Through December 31, 2014, eighteen States reported recycling \$65,222,615 of their program dollars into new SSBCI-supported loans or investments.

SSBCI at Work: Featured Success Stories

Vermont: Saving Manufacturing Jobs

When a manufacturer of Kevlar military helmets decided to close its Newport, Vermont plant, 48 well-paying jobs hung in the balance. Those jobs were saved when Revision Military, LTD, an Essex Junction-based manufacturer of mission-critical eyewear for military, law enforcement and tactical clients worldwide, established a new subsidiary, Revision Ballistics, to purchase the outgoing manufacturer's inventory, machinery and equipment.



Revision Ballistics was able to finance the transaction with the help of \$960,000 in Vermont Economic Development Authority (VEDA) funds, \$200,000 in State Small Business Credit Initiative (SSBCI) funds and additional financing provided by HSBC Bank. "The SSBCI funds were vital to funding this project," said Jo Bradley, VEDA CEO. "Utilizing SSBCI financing, VEDA was able to bridge the financing gap that existed when all the bank financing and equity contributions were on the table. Especially for a state as small as Vermont, SSBCI funds have made it possible for many more small businesses to receive the assistance they need to survive and thrive. Revision Ballistics is an example of this type of financing collaboration at work."

Colorado: Funding Rural Small Businesses

As a result of the economic downturn during the recession, the Colorado Mushroom Farm in Alamosa, Colorado was forced into Chapter 11 bankruptcy in 2012 and had to close its doors in 2013, leaving the company's 270 employees unemployed.

Baljit Nanda, the owner and operator of the farm, immediately began working with the Colorado Office



of Economic Development and its partner, the Colorado Housing Finance Agency, to secure the necessary financing to reopen the farm. They determined it would take \$3 million in financing to save the farm, including \$1 million in private financing.

The challenge lay in obtaining the private financing; the farm did not have sufficient collateral to secure the loan, as the total value of the real estate and farm equipment had fallen sharply during the recession and had not yet returned to its previous value.

Using Colorado's SSBCI Cash Collateral Support program to strengthen Nanda's collateral position, First Southwest Bank was able to provide the \$1 million loan, enabling Nanda to reopen the farm and begin rehiring laid-off employees. Within the next year, the Colorado Mushroom Farm projects that all 270 employees will be rehired, with the total company payroll injecting approximately \$6 million into the region's economy.

Virginia: Financing Non-profit Social Services Providers

Since 2007, It's About Time, Inc. has provided services to individuals diagnosed with intellectual disabilities in Roanoke, Virginia, teaching motor functions, communication skills, socialization capabilities, and self-care for daily living. When It's About Time was seeking to purchase a commercial building to operate their business and expand their facility, they approached their community bank, Valley Bank, about a loan.



Due to a collateral shortfall, It's About Time did not have sufficient resources for the \$527,000 loan. Valley Bank turned to the Virginia Small Business Financing Authority's (VSBFA) SSBCI Cash Collateral Program to secure the additional credit enhancement needed to approve the loan. As a result of the partnership between Valley Bank and VSBFA, It's About Time has been doubled its square footage and become a safer, more client-friendly facility. The company currently employs 76 people and will add 18 to 20 jobs as a result of the expansion.

"The application process was easy and approval was provided within the week. I look forward to using the program in the future and helping small businesses get approved that may not otherwise have access to expansion loans," said William Dixon, Valley Bank's Vice President and Small Business Banking Officer.

Figure 1.

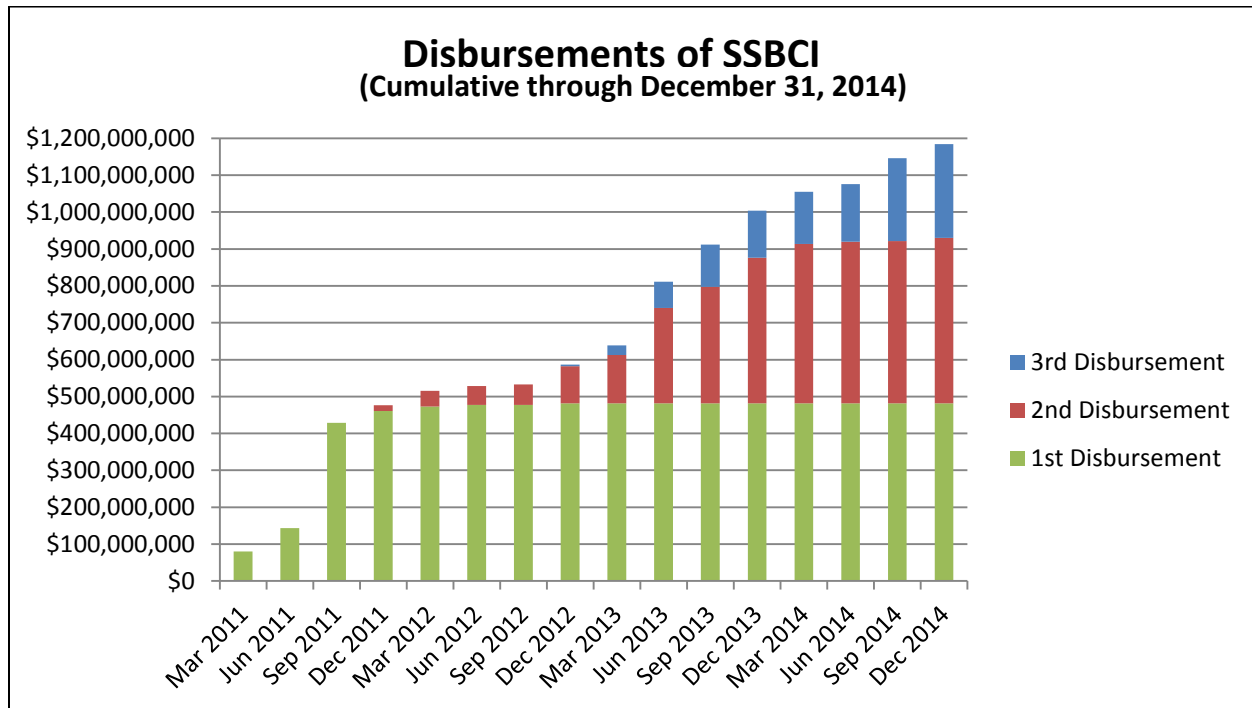


Figure 2.

SSBCI Disbursements
(As of December 31, 2014)

Initial Disbursement
2nd Disbursement
3rd Disbursement

Note: The Mandan, ND Consortium is on the 3rd Disbursement and the Carrington, ND Consortium is on the 2nd Disbursement.

SSBCI Funds Deployed
(Cumulative through December 31, 2014)

The chart displays the cumulative growth of funds deployed by SSBCI from June 2011 to December 2014. The Y-axis represents the amount in dollars, ranging from \$0 to \$1,100,000,000 in increments of \$100,000,000. The X-axis shows the timeline with labels for June, September, and December for each year. The bars are stacked, with 'Allocation Deployed' in red and 'Recycled Funds Deployed' in blue. The total funds deployed show a steady increase over time, reaching approximately \$1,050,000,000 by December 2014.

Month	Allocation Deployed (\$)	Recycled Funds Deployed (\$)	Total Funds Deployed (\$)
June 2011	0	0	0
Sept 2011	20,000,000	0	20,000,000
Dec 2011	50,000,000	0	50,000,000
March 2012	100,000,000	0	100,000,000
June 2012	150,000,000	0	150,000,000
Sept 2012	230,000,000	0	230,000,000
Dec 2012	310,000,000	0	310,000,000
March 2013	380,000,000	0	380,000,000
June 2013	550,000,000	0	550,000,000
Sept 2013	680,000,000	0	680,000,000
Dec 2013	750,000,000	0	750,000,000
March 2014	830,000,000	20,000,000	850,000,000
June 2014	900,000,000	20,000,000	920,000,000
Sept 2014	950,000,000	50,000,000	1,000,000,000
Dec 2014	980,000,000	70,000,000	1,050,000,000

Figure 4.

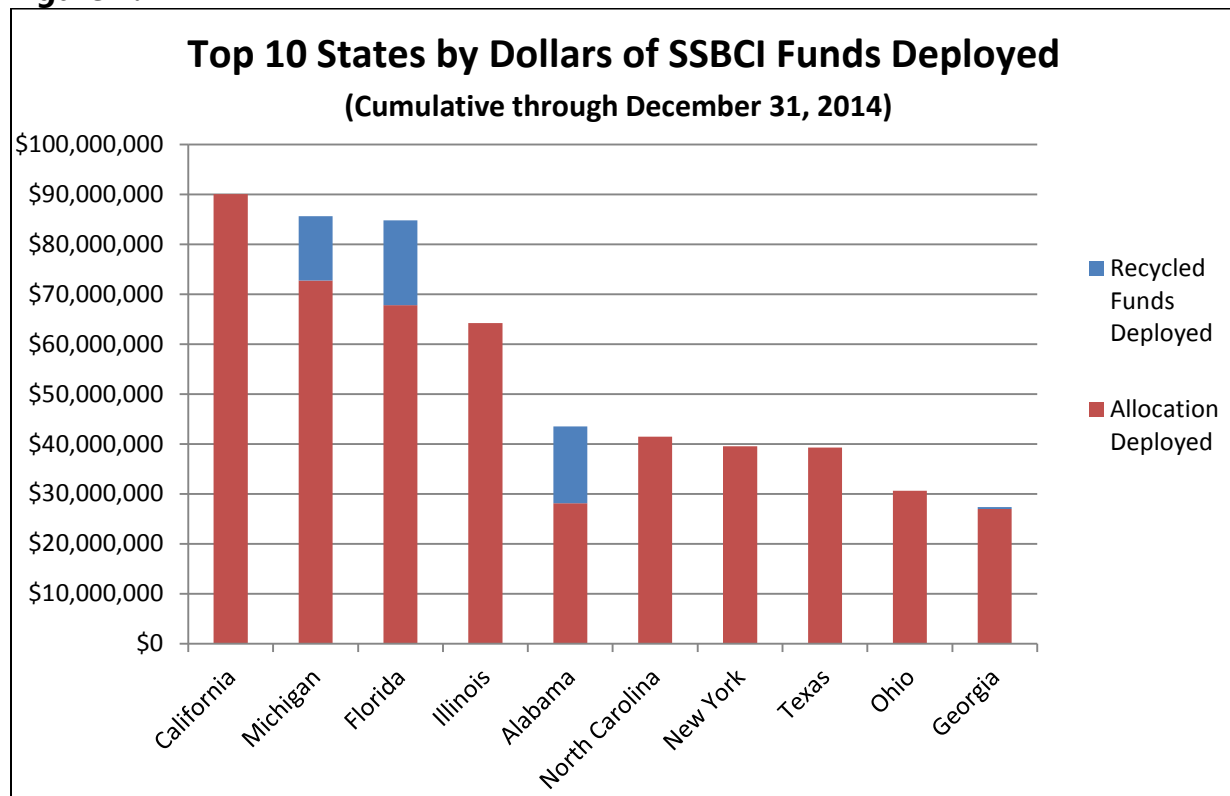
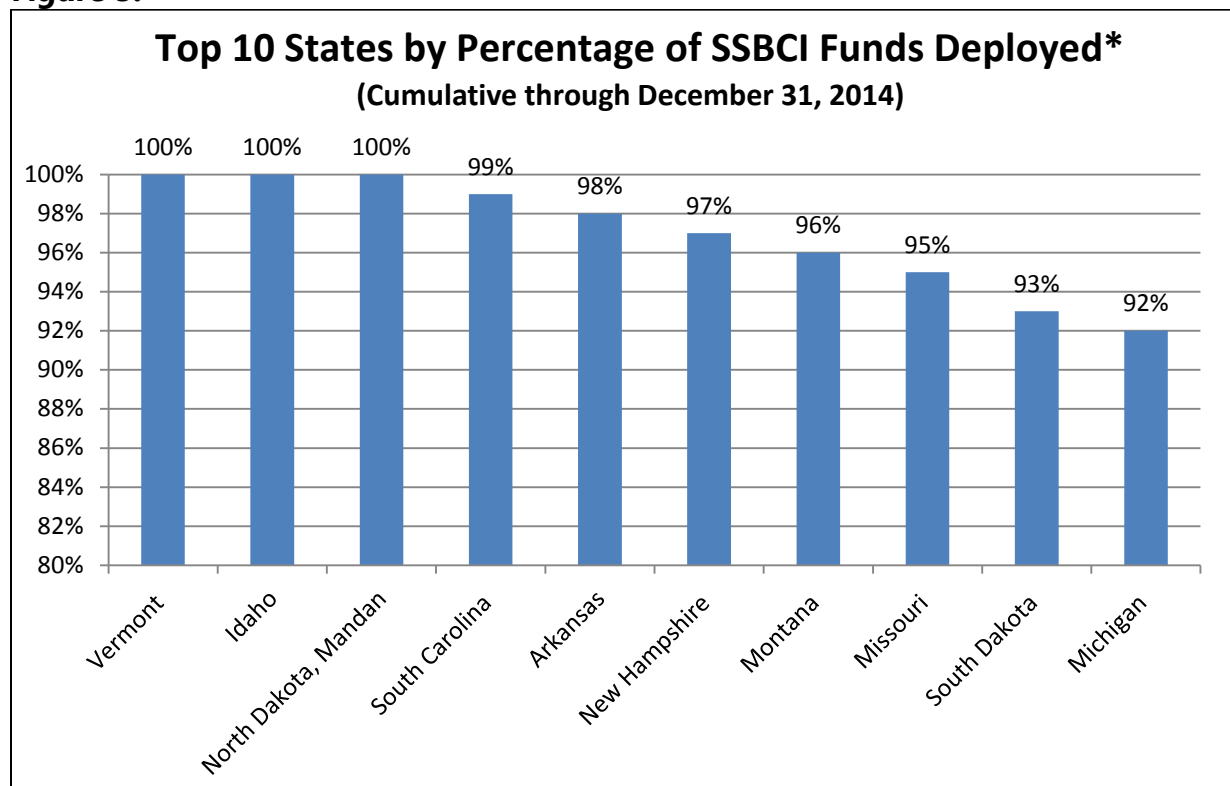


Figure 5.



* For purposes of calculating percent of allocation deployed (expended, obligated or transferred), Treasury does not count any recycled SSBCI funds.

Figure 6.

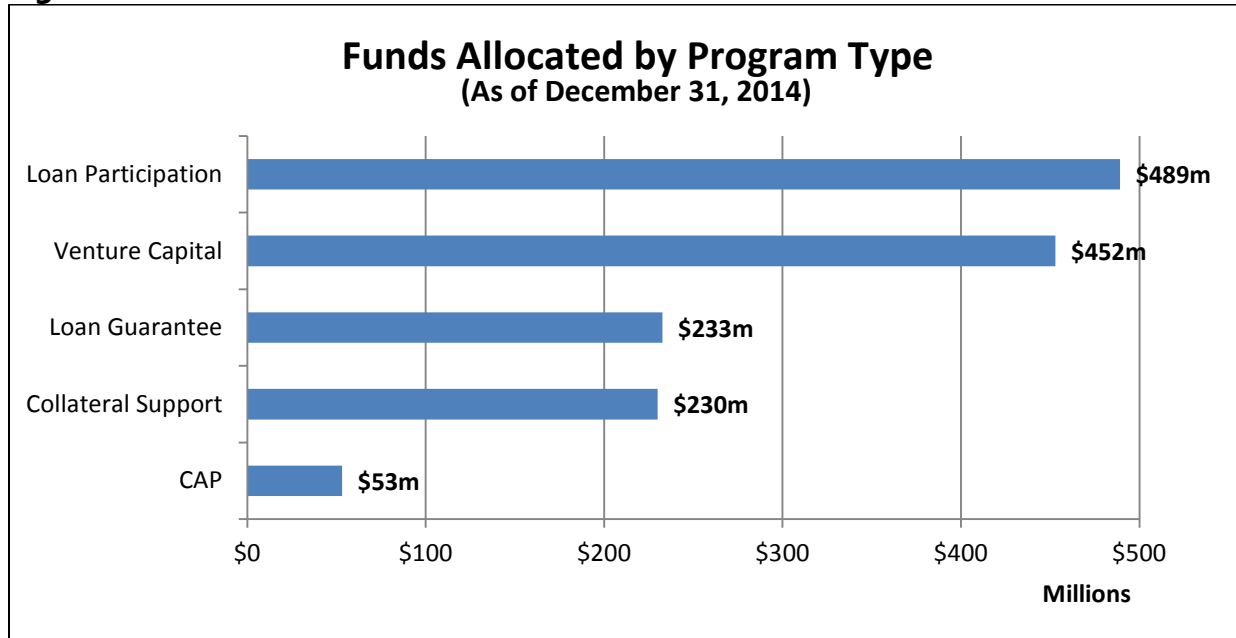


Figure 7.

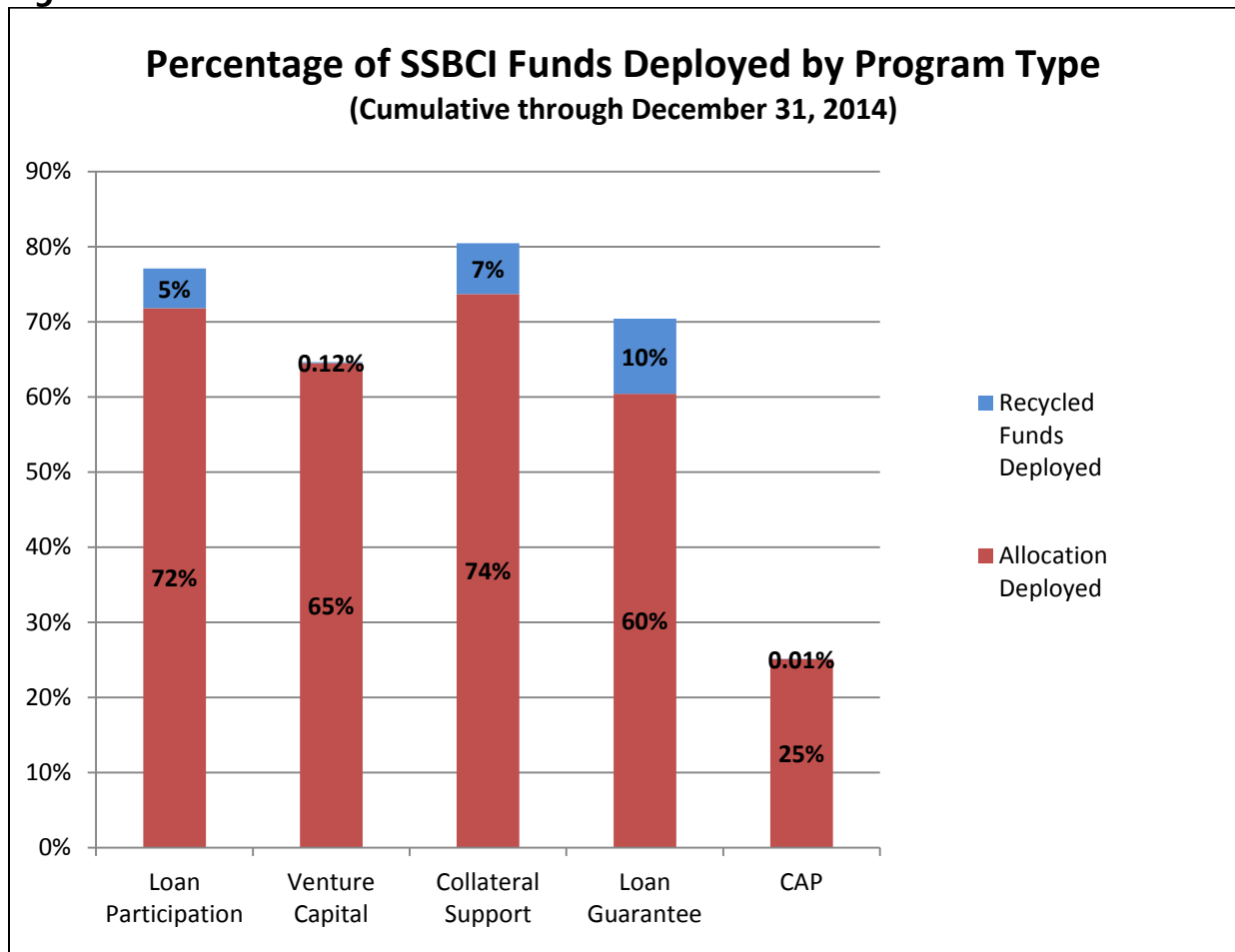
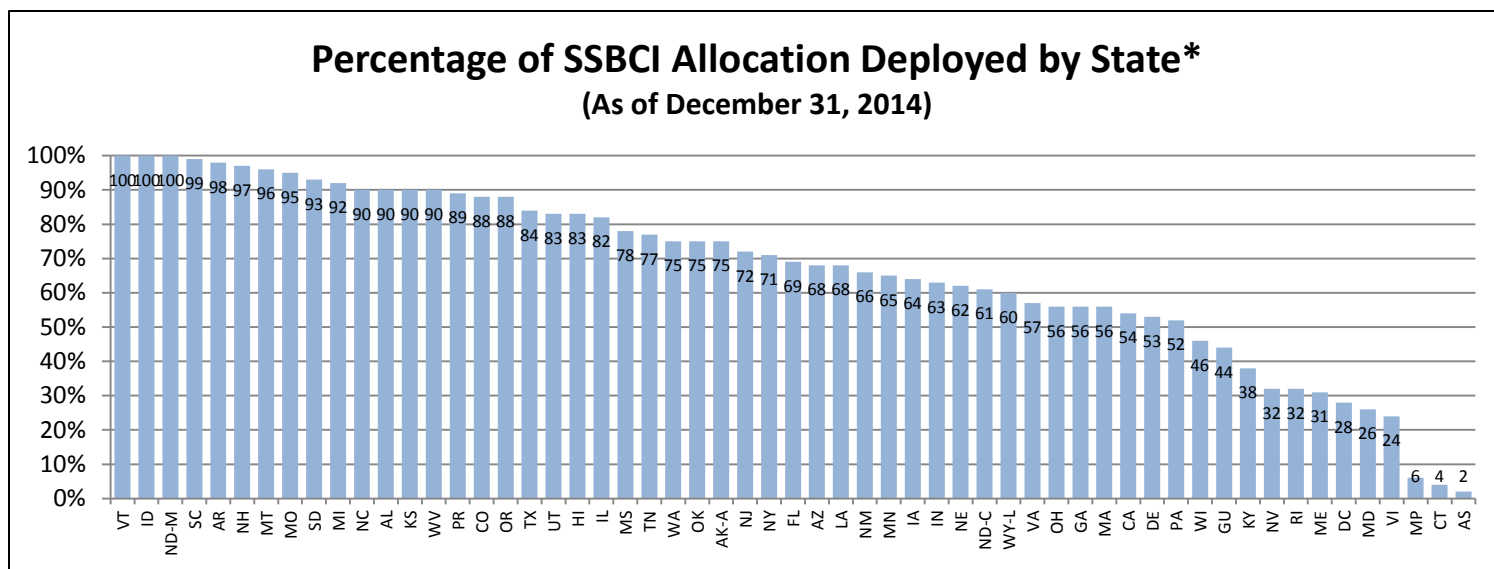
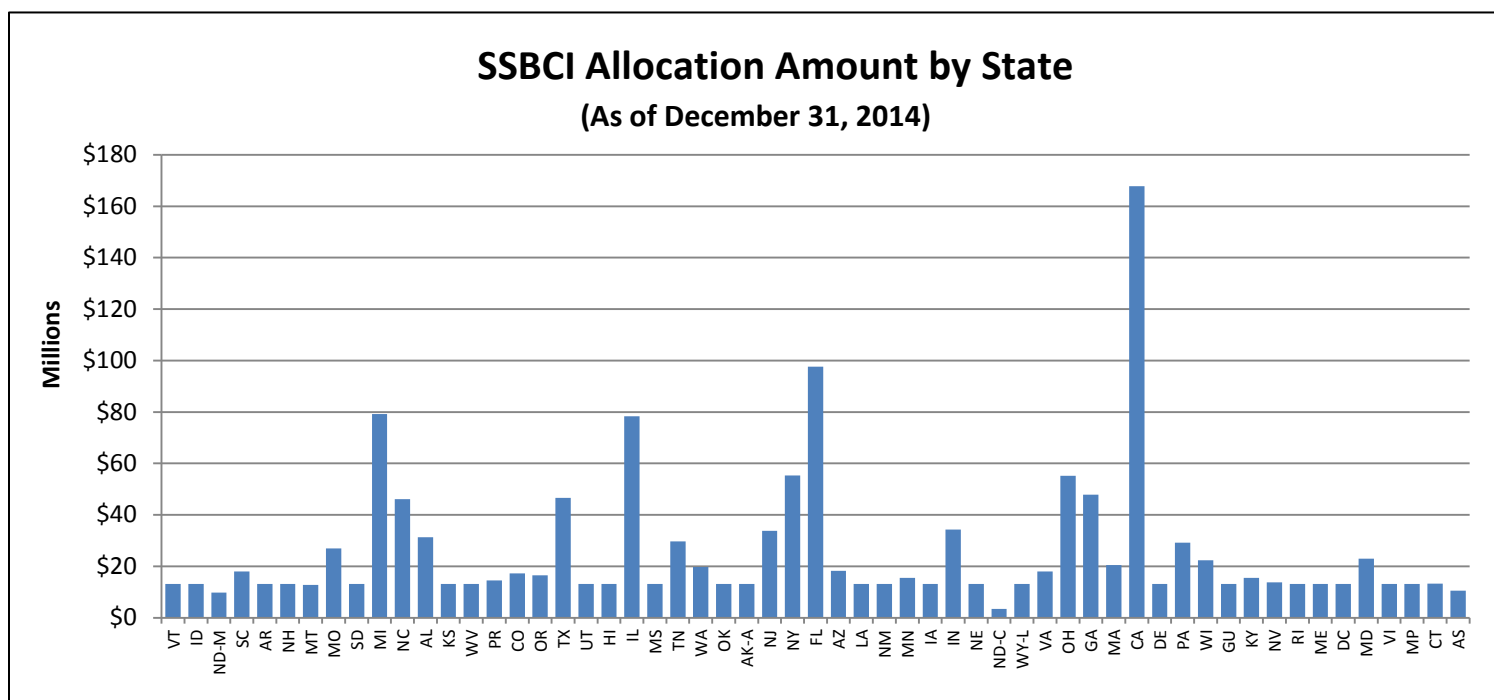


Figure 8.



* For purposes of calculating percent of allocation deployed (expended, obligated or transferred), Treasury does not count any recycled SSBCI funds.

Figure 9.



Appendix A: States Sorted by Percentage of SSBCI Allocation Deployed*

(As of 12/31/2014)

#	State	Agreement Date	Allocated Amount**	Original SSBCI Allocation Deployed	Percent	Recycled Funds Deployed	Total Funds Deployed***
1	Vermont	5/23/2011	\$13,168,350	\$13,168,350	100%	\$0	\$13,168,350
2	Idaho	8/29/2011	\$13,136,544	\$13,101,438	100%	\$4,108,217	\$17,209,655
3	North Dakota, Mandan	8/31/2012	\$9,734,641	\$9,734,641	100%	\$1,336,087	\$11,070,728
4	South Carolina	7/6/2011	\$17,990,415	\$17,807,849	99%	\$4,096,811	\$21,904,660
5	Arkansas	10/31/2011	\$13,168,350	\$12,952,959	98%	\$793,426	\$13,746,385
6	New Hampshire	7/18/2011	\$13,168,350	\$12,783,076	97%	\$0	\$12,783,076
7	Montana	7/18/2011	\$12,765,037	\$12,314,084	96%	\$0	\$12,314,084
8	Missouri	5/23/2011	\$26,930,294	\$25,695,616	95%	\$0	\$25,695,616
9	South Dakota	9/22/2011	\$13,168,350	\$12,227,898	93%	\$0	\$12,227,898
10	Michigan	7/6/2011	\$79,157,742	\$72,779,826	92%	\$12,887,272	\$85,667,098
11	North Carolina	5/23/2011	\$46,061,319	\$41,459,491	90%	\$0	\$41,459,491
12	Alabama	8/24/2011	\$31,301,498	\$28,140,128	90%	\$15,369,908	\$43,510,035
13	Kansas	6/28/2011	\$13,168,350	\$11,910,934	90%	\$357,484	\$12,268,418
14	West Virginia	11/18/2011	\$13,168,350	\$11,874,455	90%	\$350,591	\$12,225,046
15	Puerto Rico	10/6/2011	\$14,540,057	\$12,989,708	89%	\$800,000	\$13,789,708
16	Colorado	10/11/2011	\$17,233,489	\$15,154,819	88%	\$0	\$15,154,819
17	Oregon	8/29/2011	\$16,516,197	\$14,562,492	88%	\$0	\$14,562,492
18	Texas	8/15/2011	\$46,553,879	\$39,279,098	84%	\$0	\$39,279,098
19	Utah	9/30/2011	\$13,168,350	\$10,975,708	83%	\$0	\$10,975,708
20	Hawaii	5/27/2011	\$13,168,350	\$10,968,925	83%	\$0	\$10,968,925
21	Illinois	7/26/2011	\$78,365,264	\$64,242,159	82%	\$0	\$64,242,159
22	Mississippi	8/24/2011	\$13,168,350	\$10,307,103	78%	\$67,750	\$10,374,853
23	Tennessee	10/4/2011	\$29,672,070	\$22,722,365	77%	\$0	\$22,722,365
24	Washington	10/31/2011	\$19,722,515	\$14,846,628	75%	\$250,000	\$15,096,628
25	Oklahoma	7/18/2011	\$13,168,350	\$9,939,232	75%	\$0	\$9,939,232
26	Alaska, Anchorage	1/26/2012	\$13,168,350	\$9,933,519	75%	\$0	\$9,933,519
27	New Jersey	9/22/2011	\$33,760,698	\$24,257,304	72%	\$1,459,013	\$25,716,317
28	New York	9/26/2011	\$55,351,534	\$39,515,193	71%	\$0	\$39,515,193
29	Florida	8/24/2011	\$97,662,349	\$67,800,443	69%	\$17,040,065	\$84,840,508
30	Arizona	11/7/2011	\$18,204,217	\$12,428,664	68%	\$0	\$12,428,664
31	Louisiana	8/24/2011	\$13,168,350	\$8,921,508	68%	\$533,125	\$9,454,633
32	New Mexico	10/11/2011	\$13,168,350	\$8,662,166	66%	\$0	\$8,662,166
33	Minnesota	9/30/2011	\$15,463,182	\$10,083,649	65%	\$0	\$10,083,649
34	Iowa	8/30/2011	\$13,168,350	\$8,469,401	64%	\$0	\$8,469,401
35	Indiana	5/27/2011	\$34,339,074	\$21,707,602	63%	\$0	\$21,707,602
36	Nebraska	10/4/2011	\$13,168,350	\$8,166,140	62%	\$0	\$8,166,140
37	North Dakota, Carrington	9/28/2012	\$3,433,709	\$2,089,150	61%	\$0	\$2,089,150
38	Wyoming, Laramie	12/4/2012	\$13,168,350	\$7,966,380	60%	\$0	\$7,966,380
39	Virginia	8/15/2011	\$17,953,191	\$10,144,721	57%	\$0	\$10,144,721
40	Ohio	9/2/2011	\$55,138,373	\$30,638,214	56%	\$0	\$30,638,214
41	Georgia	12/13/2011	\$47,808,507	\$26,959,437	56%	\$377,000	\$27,336,437
42	Massachusetts	9/13/2011	\$20,445,072	\$11,545,101	56%	\$3,763,133	\$15,308,234
43	California	5/19/2011	\$167,755,641	\$90,091,388	54%	\$0	\$90,091,388
44	Delaware	7/18/2011	\$13,168,350	\$6,940,038	53%	\$0	\$6,940,038
45	Pennsylvania	10/6/2011	\$29,241,232	\$15,196,328	52%	\$495,352	\$15,691,680
46	Wisconsin	9/22/2011	\$22,363,554	\$10,361,018	46%	\$0	\$10,361,018
47	Guam	9/30/2011	\$13,168,350	\$5,856,234	44%	\$0	\$5,856,234
48	Kentucky	7/28/2011	\$15,487,998	\$5,900,577	38%	\$0	\$5,900,577
49	Nevada	9/30/2011	\$13,803,176	\$4,359,565	32%	\$1,137,381	\$5,496,946
50	Rhode Island	9/6/2011	\$13,168,350	\$4,216,499	32%	\$0	\$4,216,499
51	Maine	9/6/2011	\$13,168,350	\$4,054,478	31%	\$0	\$4,054,478
52	District of Columbia	8/15/2011	\$13,168,350	\$3,678,928	28%	\$0	\$3,678,928
53	Maryland	6/2/2011	\$23,025,709	\$5,992,849	26%	\$0	\$5,992,849
54	Virgin Islands	10/4/2011	\$13,168,350	\$3,211,790	24%	\$0	\$3,211,790
55	Northern Mariana	3/14/2012	\$13,168,350	\$756,367	6%	\$0	\$756,367
56	Connecticut	7/14/2011	\$13,301,126	\$574,528	4%	\$0	\$574,528
57	American Samoa	2/14/2012	\$10,500,000	\$173,500	2%	\$0	\$173,500
TOTAL			\$1,457,591,353	\$992,591,660	68%	\$65,222,615	\$1,057,814,275

*Note: SSBCI funds deployed are those legally "expended, obligated, or transferred."

**Note: The Total Allocated Amount may change from quarter to quarter due to modifications made to individual State allocations.

***Note: Includes funds Expended, Obligated, Transferred or used for Administrative Expenses.

Appendix B: States Sorted by Dollars of SSBCI Allocation Deployed*
(As of 12/31/2014)

#	State	Agreement Date	Allocated Amount**	Original SSBCI Allocation Deployed	Percent	Recycled Funds Deployed	Total Funds Deployed***
1	California	5/19/2011	\$167,755,641	\$90,091,388	54%	\$0	\$90,091,388
2	Michigan	7/6/2011	\$79,157,742	\$72,779,826	92%	\$12,887,272	\$85,667,098
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