

STATE SMALL BUSINESS
CREDIT INITIATIVE:

A SUMMARY OF STATES'
**QUARTERLY
REPORTS**

JUNE 30, 2016



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 programs in participating states, municipalities, and territories (States) that support private-sector lending to, and investment in, small businesses and small manufacturers.

SSBCI allows each State to design its own small business support programs in response to local economic conditions. SSBCI programs fall into two general categories - credit support programs (e.g., loan guarantee or loan participation programs) and state-sponsored venture capital programs. States receive funding in three equal disbursements based on cumulative funds deployed.¹

- **States have drawn 96 percent of available funding:** As of June 30, 2016, \$1,392,022,218 out of \$1,456,310,045 or 96 percent of total allocated funds was disbursed to the States.² All 57 States received their first disbursement; 56 States received their second disbursement; 47 States received their third disbursement.
- **States have deployed over \$1.4 billion to support small business financing:** Through June 30, 2016, States deployed a total of \$1,439,598,949. Of this total, \$1,224,068,226 was from original SSBCI allocations and \$215,530,723 was from recycled³ SSBCI funds. These funds support loans or investments to small businesses, including through financial institutions and intermediaries, and for administrative expenses related to the program.
- **States have generated over \$8 in new financing for every \$1 in federal support:** Through 2015, SSBCI operations have generated \$8.02 in new small business lending or investing for every \$1 of federal support.⁴

¹ SSBCI funds deployed are those legally expended (used to support loans or investments or for administrative expenses), obligated (legally committed to support loans or investments or for administrative expenses), or transferred (to a contracting entity as reimbursement of expenses incurred or to fund a loan or investment). This includes obligations to venture capital funds not yet linked to specific small business investments. As of 12/31/15, Venture Capital Programs reported that the amount of funds deployed was 21% greater (\$71 million) than the amount expended to small businesses. The variance was due to SSBCI dollars that were obligated for investment in a business or to a venture capital fund but not yet expended to a specific small business.

² Treasury approved applications from 47 states, the District of Columbia, five territories, and municipalities in three states (collectively referred to as States).

³ "Recycled" funds refer to program income, interest earned, or principal repayments that States deploy to support new transactions.

⁴ States report to Treasury the total deployment of funds on a quarterly basis and transaction-level detail, including private financing, on an annual basis.

SSBCI at Work: Featured Businesses

Virginia: Creating a Customized Health Experience

Carepac Pharmacy is a woman-owned retail pharmacy in Mechanicsville, Virginia. Recognizing the need for simple and convenient pharmacy services in the community, the company sought to purchase an automated prescription filling machine that would fill prescriptions based on dosage time, and prepare individually sealed strip packages that consist of all medications needed for the required dosage time.



As a start-up business, Carepac could not obtain a term loan to finance the automated prescription filling machine purchase. However, with support from the SSBCI Cash Collateral Program offered by the Virginia Small Business Financing Authority (VSBFA), Carepac's partner bank, EVB, was able to provide the necessary financing.

"VSBFA involvement was key to structuring the request and getting this deal done," according to Josh Holder, Business Banker at EVB.

Since receiving SSBCI funding, Carepac has created five new jobs and continues to provide simple and convenient pharmacy services to the community.

California: Gourmet Cream on Wheels

Cool Haus, a gourmet ice cream business offering custom flavors like Polar Berry and Salted Carmel, started out with one truck in Los Angeles. When the CEO and co-founder of the company, Natasha Case, wanted to purchase a second truck and start expanding the business she did not qualify for conventional financing. Cool Haus was less than two years old and not yet profitable.

Cool Haus was referred to Opportunity Fund, a California CDFI that offers small business loans.



With the assistance of CalCAP (California's capital access program), Opportunity Fund was able to provide Cool Haus with a CAP loan of \$38,299.17 supported with SSBCI funds to purchase equipment for their business.

According to Natasha, "the loan from Opportunity Fund was the catalyst at a key moment in our growth!"

Today, Cool Haus has ten trucks in five cities across the country, employing 55 people. Cool Haus also opened an ice cream shop in Culver City and can be found in the freezer aisle at more than 800 Whole Foods and natural markets.

Alabama: Providing Jobs in Rural and Underserved Communities

Prospect Mining is a founding member of the Alabama Coal Cooperative (ACC) which sells coal exclusively to Alabama Power Company.

Prospect Mining planned to build a coal washing facility. Even though this facility would significantly reduce company expenses, lenders were reluctant to provide the small company with the \$5 million needed to complete the construction of this special purpose facility.



With a 50% guarantee from the State of Alabama Small Business Credit Initiative ServisFirst Bank provided the funds necessary to complete the project and provide the necessary permanent financing. The company projects that the construction will be completed before the end of next year.

"We feel this is an excellent investment in an extremely depressed region of our state," said SSBCI Unit Chief W. Howard Wills.

When this project is finished and operational, Prospect Mining estimates that approximately 100 jobs will be created or retained.

Puerto Rico: Entrepreneur Diversifies Revenue Stream

Gur-Meat, Inc. is a meat processing business that produces artisan sausages made with local produce. It is owned and operated by Mariely Ramos, a young woman entrepreneur. The company also produces a variety of meat cuts, bacon, ham, and mashed pumpkin, yucca, and other root vegetables.



In 2015 Gur-Meat, Inc. needed to expand its business; however, as a young company whose primary cash flow came from contracts with Puerto Rico's Department of Education, the company could not obtain the financing it needed from traditional lenders. Ms. Ramos turned to the Economic Development Bank of Puerto Rico's (EDB's) SSBCI small business lending program to provide the \$700,000 credit line she needed to move the business forward.

"I have always put first hard work in order to achieve the objectives I set for the company when it was incorporated," stated Ms. Ramos. With the help of EDB's SSBCI program, she is achieving her objectives.

As a result of the line of credit Gur-Meat, Inc. is increasing its production, diversifying its client portfolio by adding a number of nongovernment contracts, and creating new jobs which are desperately needed in Puerto Rico.

West Virginia: Reinventing a State Classic

Mister Bee Potato Chip Company was founded in West Virginia in 1951. In 2015, this family-owned business was purchased by two native West Virginians who were eager to breathe new life into the brand.

Unfortunately, their new company, the West Virginia Potato Chip

Company (WVPCC), had insufficient cash flow to support the financing needed to modernize and expand the operations. To save the company the owners turned to the West Virginia Capital Access Program (WVCAP) for help.



Using SSBCI funds accessed by The West Virginia Jobs Investment Trust (WVJIT), WVCAP made a \$250,000 investment that provided the needed cash infusion that allowed the company to make capital improvements to the Mister Bee plant, purchase new equipment, and kick-off a marketing campaign to reintroduce the brand to the market. "The SSBCI program was a perfect fit for this transaction and shares in the success of the company," said Executive Director of WVJIT Andrew Zulauf.

Since the SSBCI investment, WVPCC has introduced several new products. The invested SSBCI funds bolstered the value of the company and attracted new investors who brought in management and a new multi-state expansion plan. Today, the company distributes Mister Bee chips throughout West Virginia, eastern Ohio, southern Pennsylvania, and parts of Kentucky.

Figure 1.

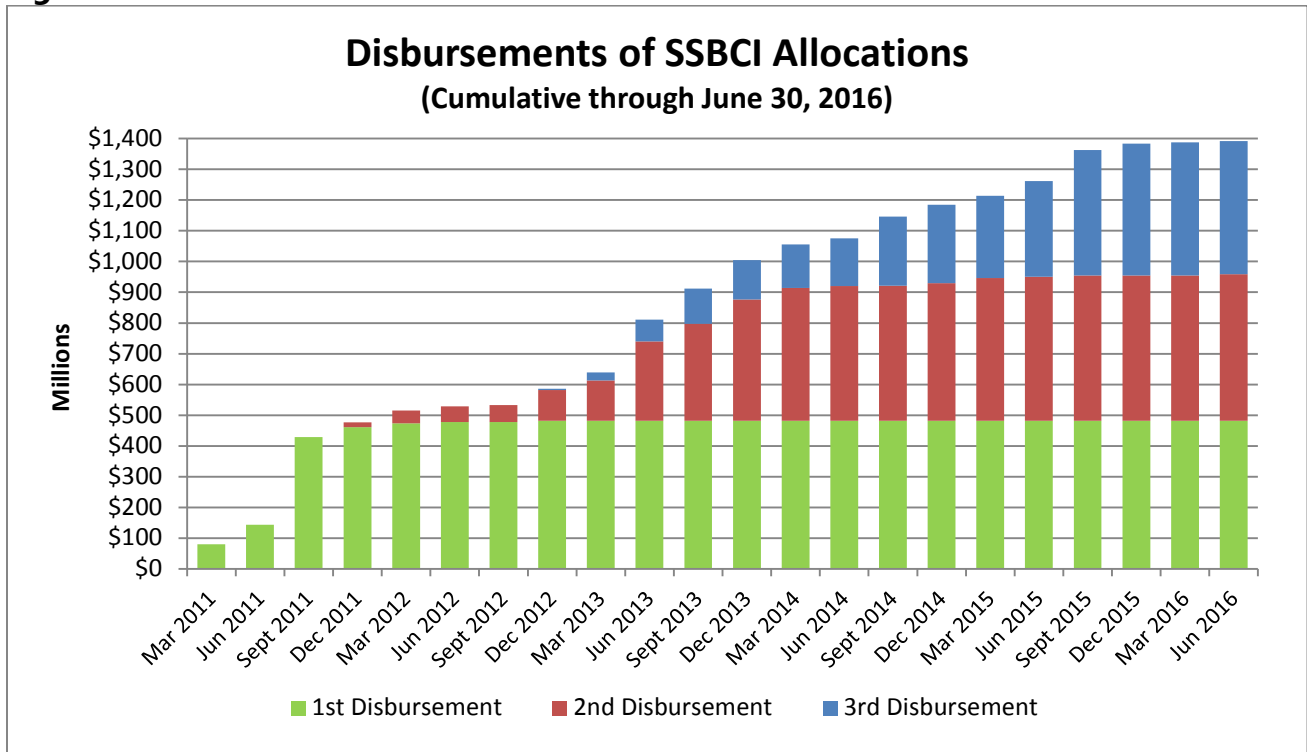


Figure 2.

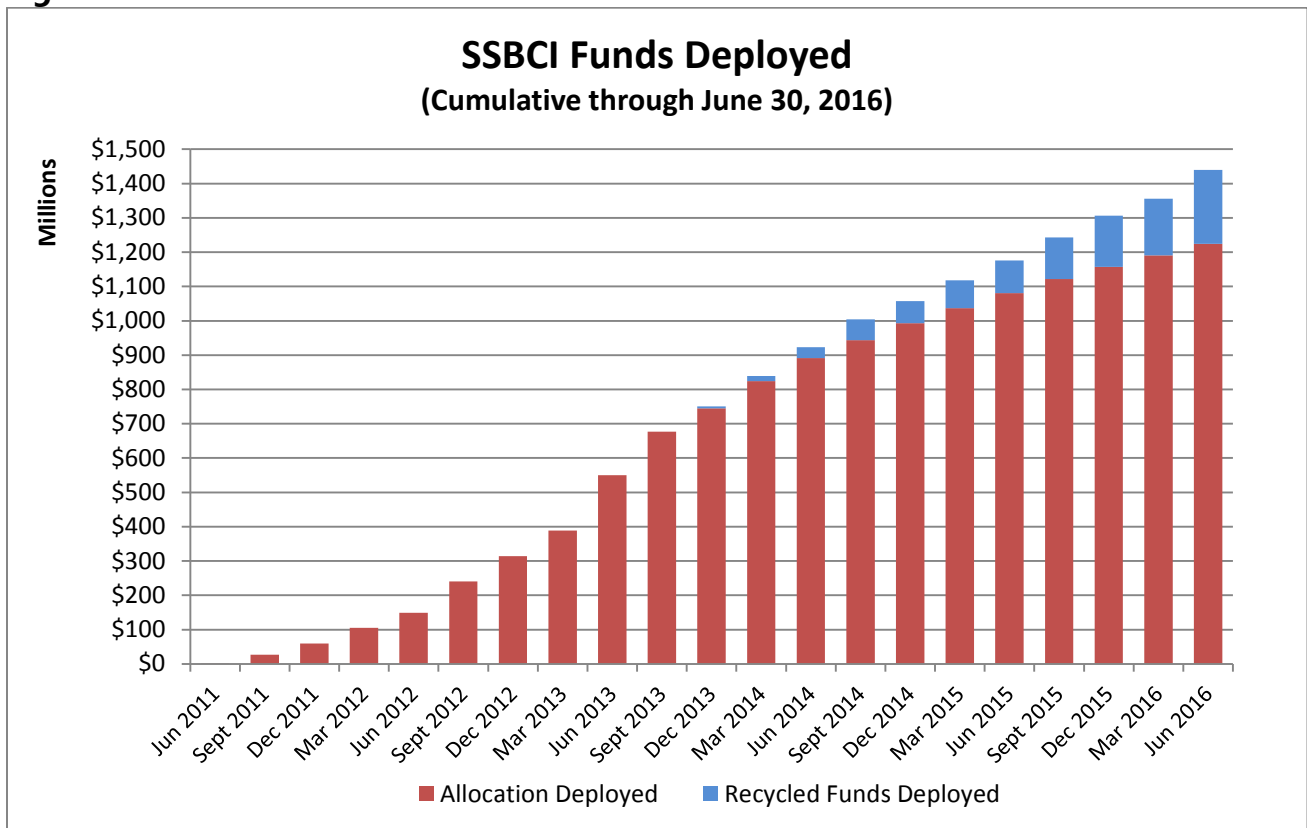


Figure 3.

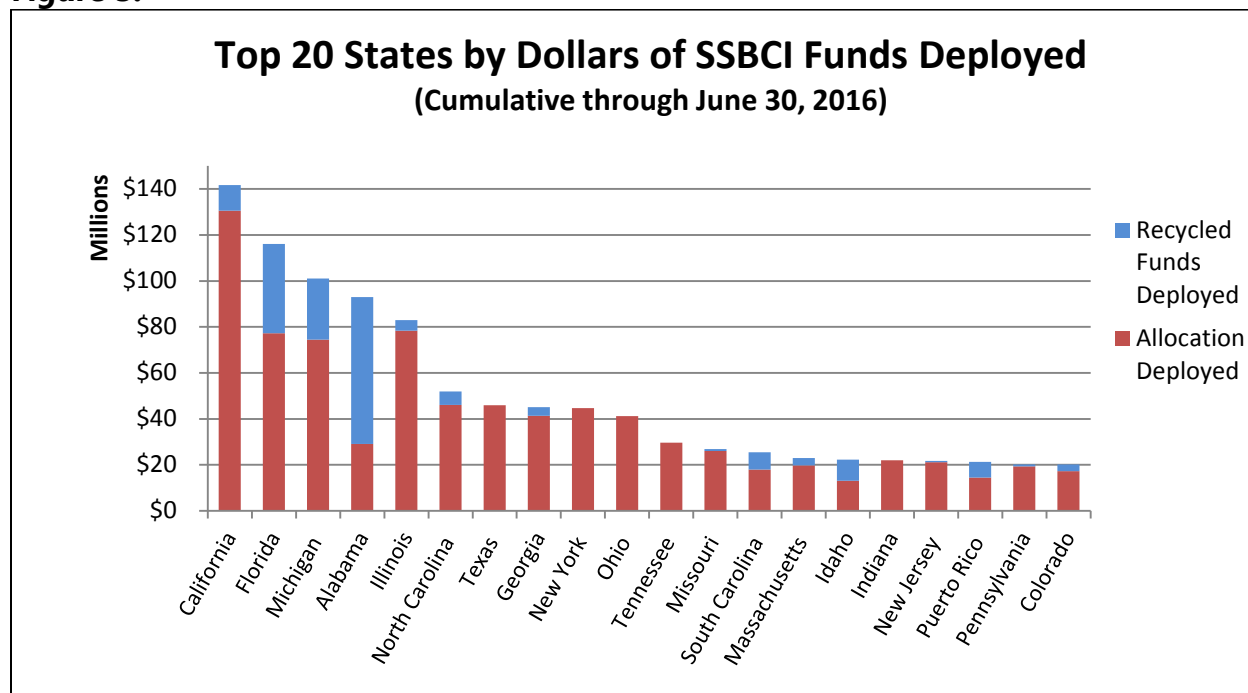
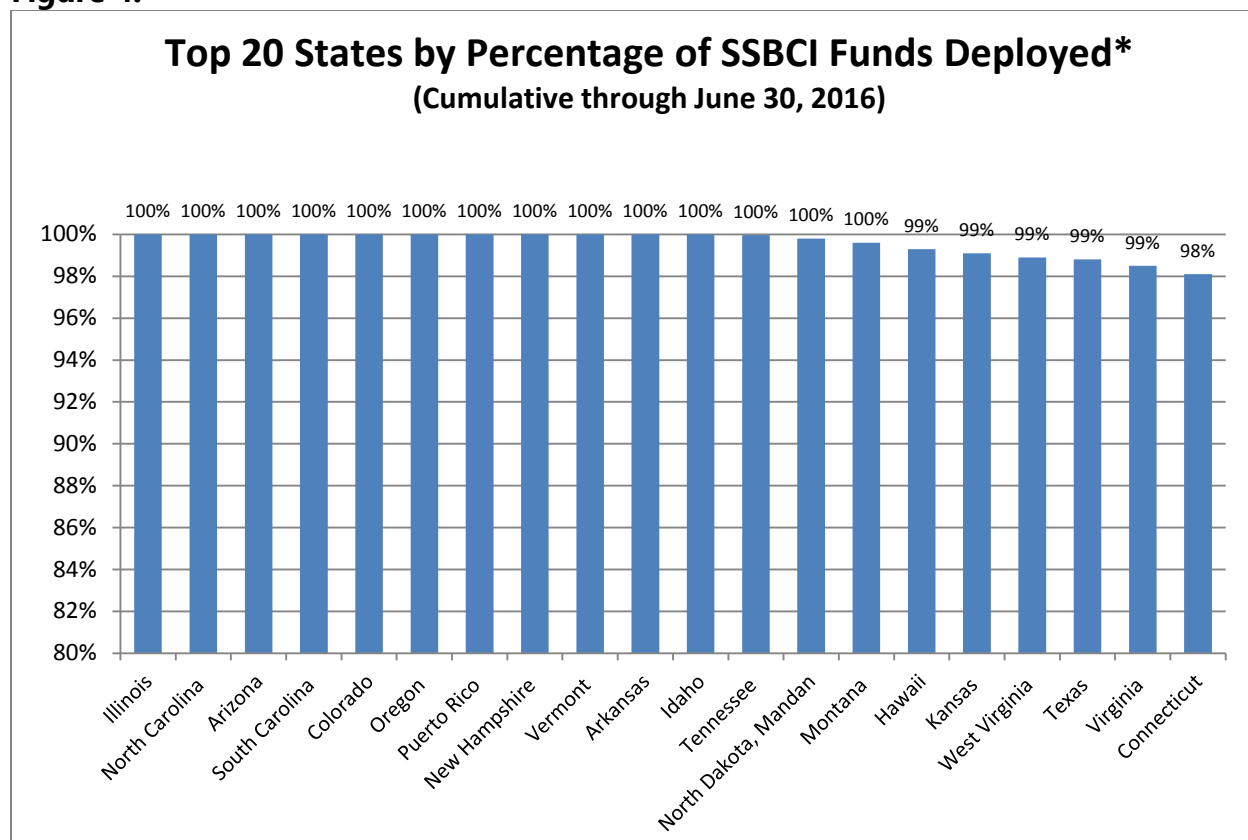


Figure 4.



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

Figure 5.

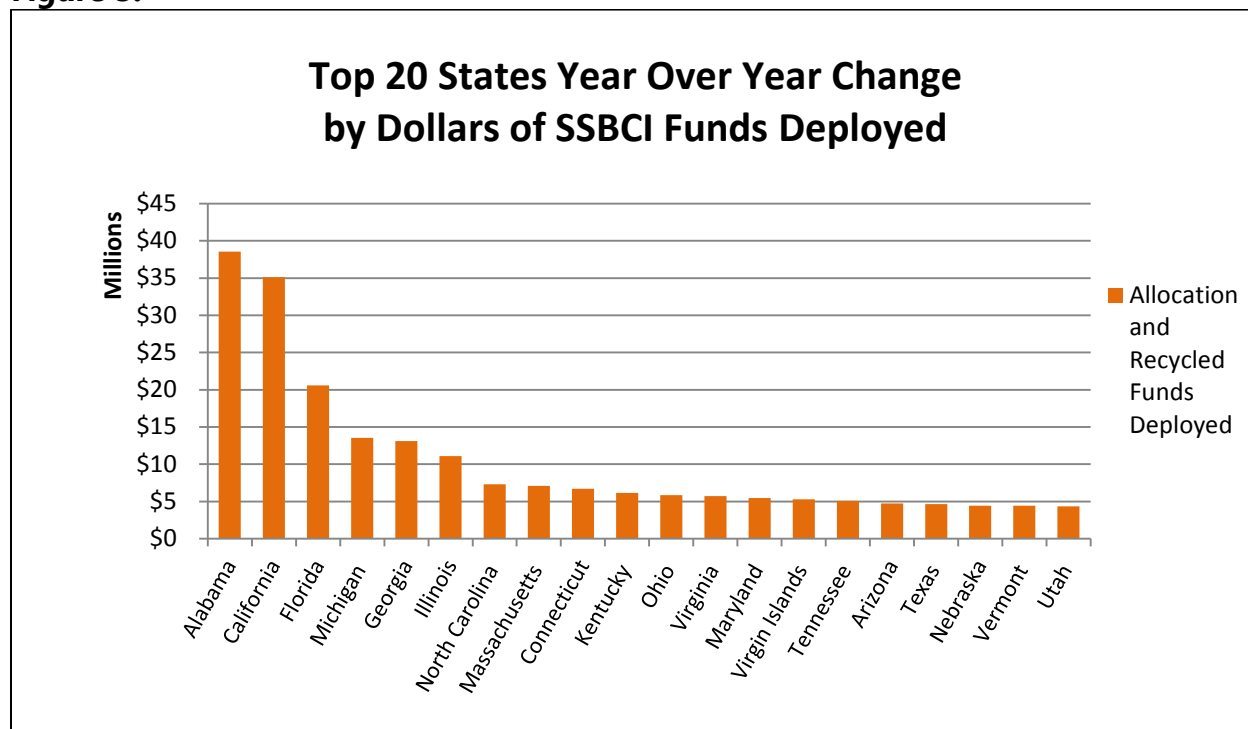
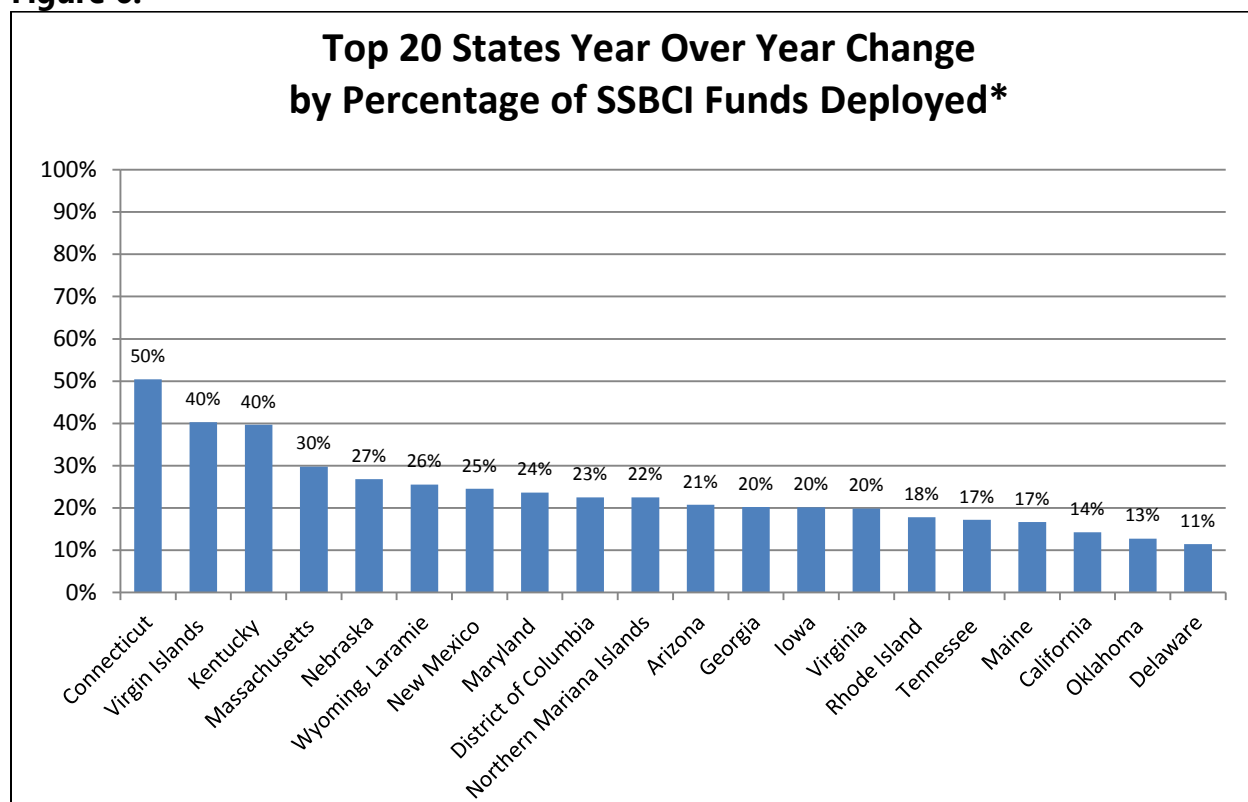


Figure 6.



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Figure 7.

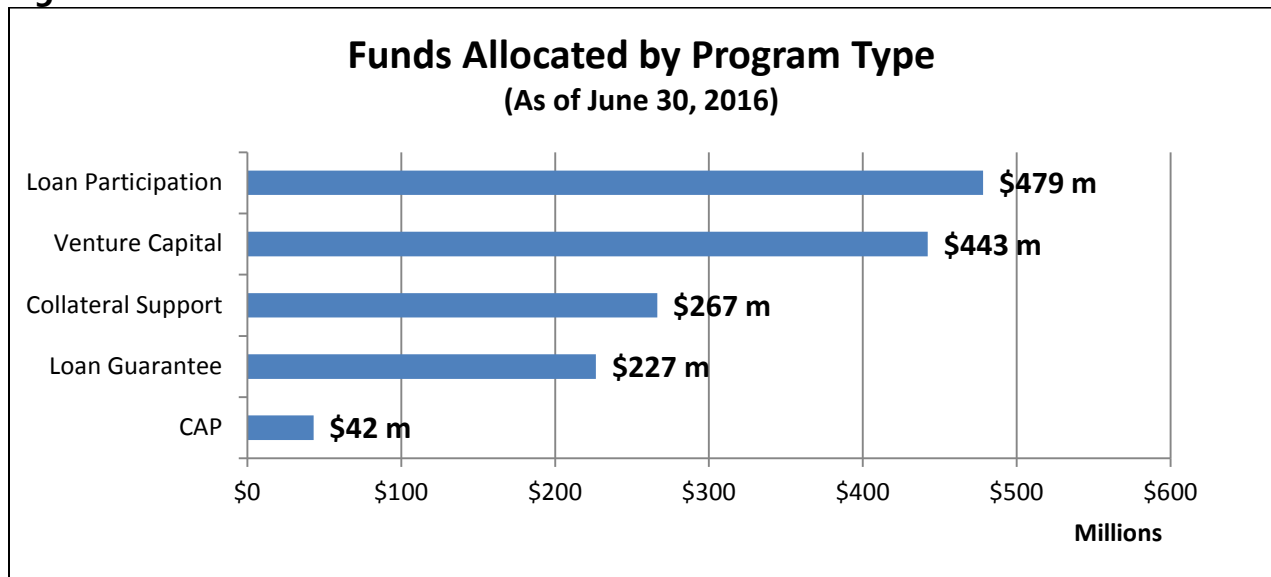


Figure 8.

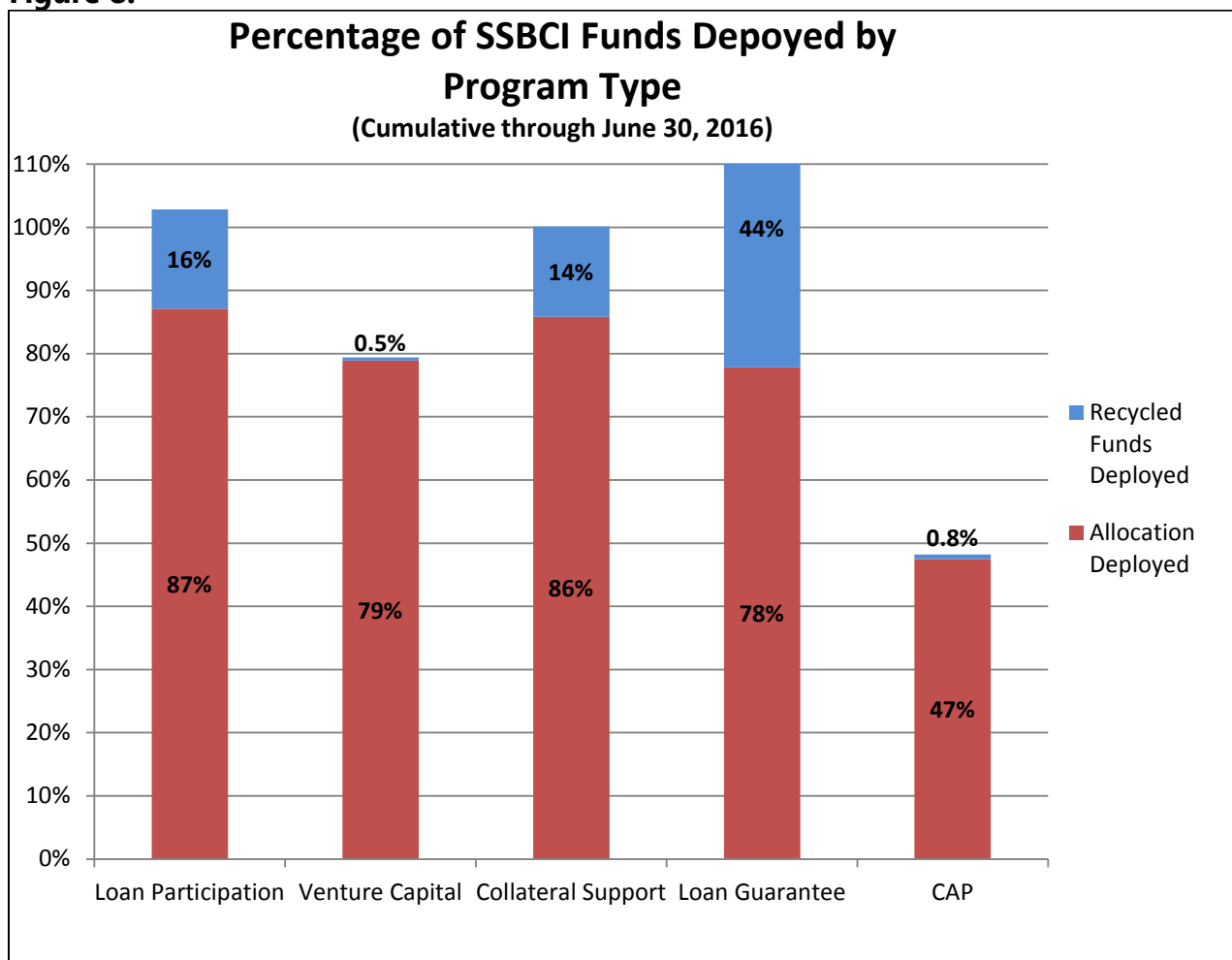
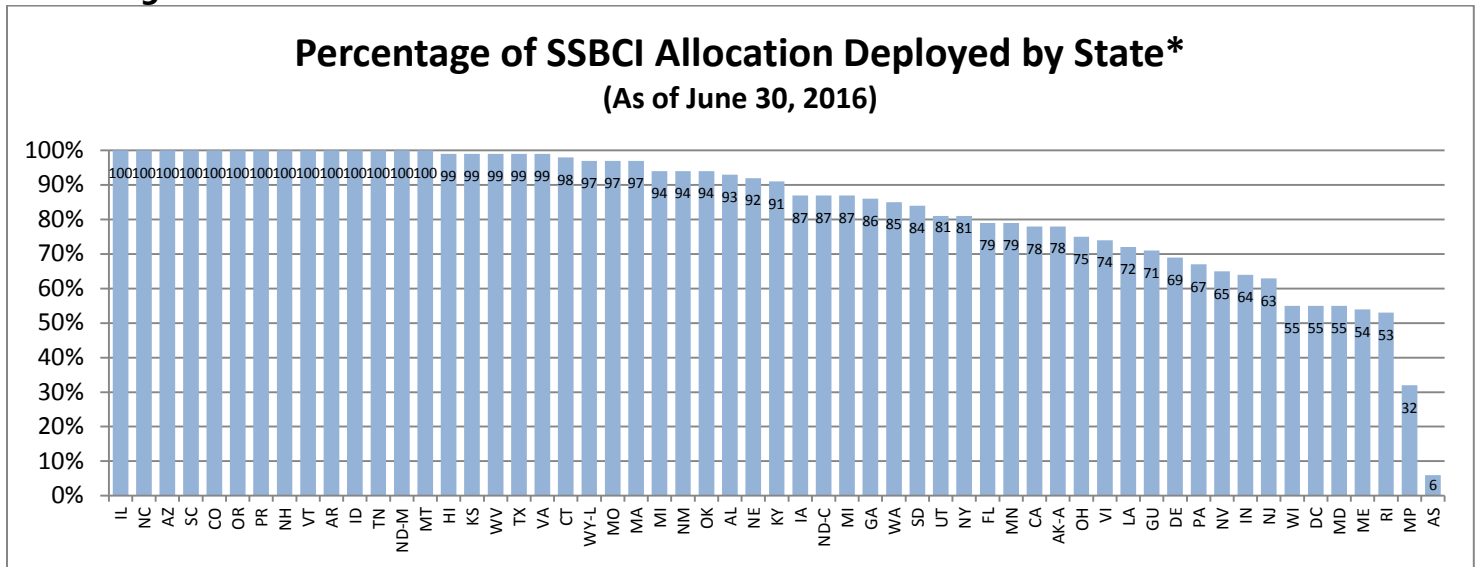
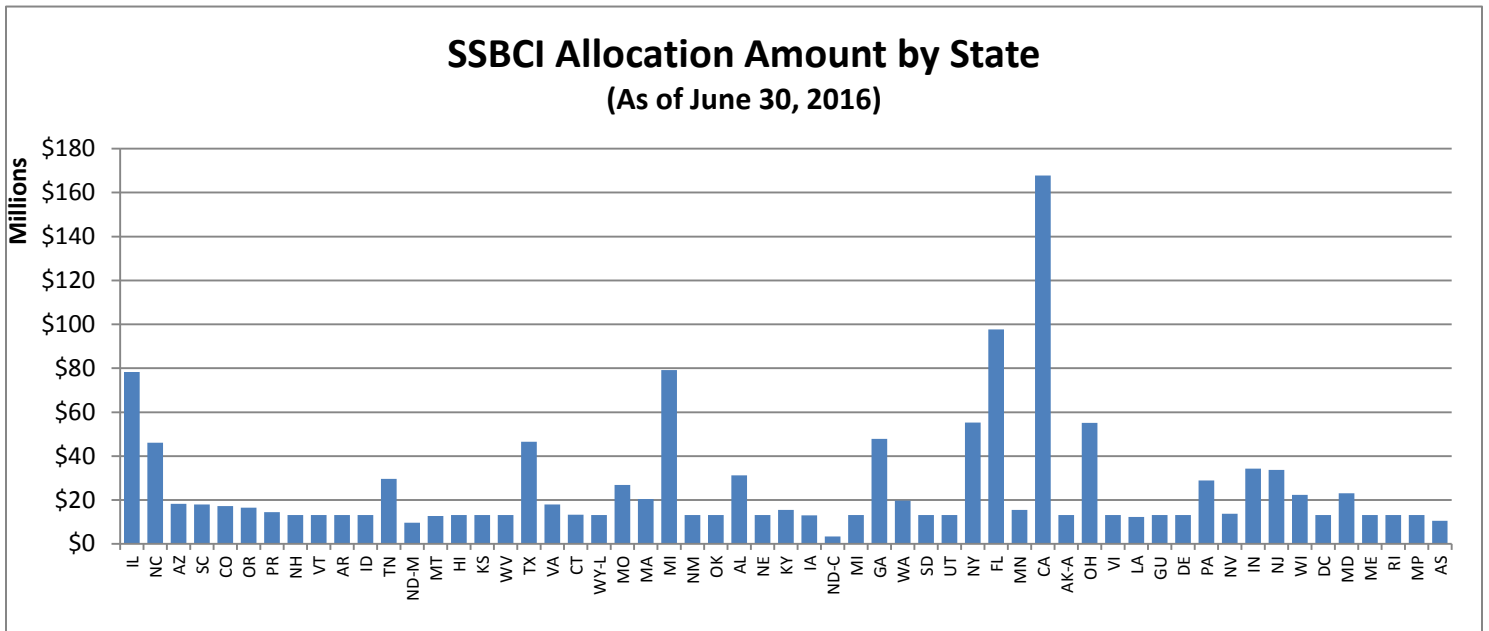


Figure 9.



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

Figure 10.



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

(As of 06/30/2016)

#	State	Agreement Date	Allocated Amount**	Original SSBCI Allocation Deployed	Percent	Recycled Funds Deployed	Total Funds Deployed***
1	Illinois	7/26/2011	\$78,365,264	\$78,381,187	100.0%	\$4,546,750	\$82,927,937
2	North Carolina	5/23/2011	\$46,061,319	\$46,061,319	100.0%	\$5,912,274	\$51,973,593
3	Arizona	11/7/2011	\$18,204,217	\$18,204,217	100.0%	\$977,577	\$19,181,794
4	South Carolina	7/6/2011	\$17,990,415	\$17,990,415	100.0%	\$7,447,959	\$25,438,374
5	Colorado	10/11/2011	\$17,233,489	\$17,233,489	100.0%	\$2,932,040	\$20,165,529
6	Oregon	8/29/2011	\$16,516,197	\$16,516,196	100.0%	\$616,784	\$17,132,980
7	Puerto Rico	10/6/2011	\$14,540,057	\$14,540,057	100.0%	\$6,707,757	\$21,247,814
8	New Hampshire	7/18/2011	\$13,168,350	\$13,168,350	100.0%	\$0	\$13,168,350
9	Vermont	5/23/2011	\$13,168,350	\$13,168,350	100.0%	\$5,387,409	\$18,555,759
10	Arkansas	10/31/2011	\$13,168,350	\$13,168,350	100.0%	\$1,431,815	\$14,600,165
11	Idaho	8/29/2011	\$13,136,544	\$13,136,544	100.0%	\$9,108,601	\$22,245,145
12	Tennessee	10/4/2011	\$29,672,070	\$29,662,602	99.97%	\$0	\$29,662,602
13	North Dakota, Mandan	8/31/2012	\$9,734,641	\$9,717,680	99.8%	\$2,835,733	\$12,553,413
14	Montana	7/18/2011	\$12,765,037	\$12,715,954	99.6%	\$0	\$12,715,954
15	Hawaii	5/27/2011	\$13,168,350	\$13,069,975	99.3%	\$0	\$13,069,975
16	Kansas	6/28/2011	\$13,168,350	\$13,048,443	99.1%	\$1,358,123	\$14,406,566
17	West Virginia	11/18/2011	\$13,168,350	\$13,020,032	98.9%	\$1,390,710	\$14,410,742
18	Texas	8/15/2011	\$46,553,879	\$45,974,397	98.8%	\$0	\$45,974,397
19	Virginia	8/15/2011	\$17,953,191	\$17,686,503	98.5%	\$2,183,292	\$19,869,795
20	Connecticut	7/14/2011	\$13,301,126	\$13,046,813	98.1%	\$0	\$13,046,813
21	Wyoming, Laramie	12/4/2012	\$13,168,350	\$12,778,150	97.0%	\$0	\$12,778,150
22	Missouri	5/23/2011	\$26,930,294	\$26,086,999	96.9%	\$784,101	\$26,871,100
23	Massachusetts	9/13/2011	\$20,445,072	\$19,813,981	96.9%	\$3,150,433	\$22,964,414
24	Michigan	7/6/2011	\$79,157,742	\$74,530,790	94.2%	\$26,521,191	\$101,051,981
25	New Mexico	10/11/2011	\$13,168,350	\$12,380,460	94.0%	\$1,172,962	\$13,553,422
26	Oklahoma	7/18/2011	\$13,168,350	\$12,335,434	93.7%	\$0	\$12,335,434
27	Alabama	8/24/2011	\$31,301,498	\$29,074,297	92.9%	\$63,973,701	\$93,047,998
28	Nebraska	10/4/2011	\$13,168,350	\$12,087,579	91.8%	\$913,156	\$13,000,735
29	Kentucky	7/28/2011	\$15,487,998	\$14,129,864	91.2%	\$0	\$14,129,864
30	Iowa	8/30/2011	\$13,065,020	\$11,413,420	87.4%	\$0	\$11,413,420
31	North Dakota,	9/28/2012	\$3,433,709	\$2,975,774	86.7%	\$300,000	\$3,275,774
32	Mississippi	8/24/2011	\$13,168,350	\$11,395,750	86.5%	\$67,750	\$11,463,500
33	Georgia	12/13/2011	\$47,808,507	\$41,275,099	86.3%	\$3,884,050	\$45,159,149
34	Washington	10/31/2011	\$19,722,515	\$16,719,961	84.8%	\$1,475,000	\$18,194,961
35	South Dakota	9/22/2011	\$13,168,350	\$11,113,558	84.4%	\$0	\$11,113,558
36	Utah	9/30/2011	\$13,168,350	\$10,684,154	81.1%	\$7,529,573	\$18,213,727
37	New York	9/26/2011	\$55,351,534	\$44,718,274	80.8%	\$0	\$44,718,274
38	Florida	8/24/2011	\$97,662,349	\$77,258,321	79.1%	\$38,794,954	\$116,053,275
39	Minnesota	9/30/2011	\$15,463,182	\$12,223,599	79.0%	\$263,068	\$12,486,667
40	California	5/19/2011	\$167,755,641	\$130,574,951	77.8%	\$11,181,655	\$141,756,606
41	Alaska, Anchorage	1/26/2012	\$13,168,350	\$10,235,861	77.7%	\$0	\$10,235,861
42	Ohio	9/2/2011	\$55,110,020	\$41,201,529	74.8%	\$0	\$41,201,529
43	U.S. Virgin Islands	10/4/2011	\$13,168,350	\$9,763,665	74.1%	\$0	\$9,763,665
44	Louisiana	8/24/2011	\$12,366,058	\$8,852,762	71.6%	\$1,199,130	\$10,051,892
45	Guam	9/30/2011	\$13,168,350	\$9,284,778	70.5%	\$0	\$9,284,778
46	Delaware	7/18/2011	\$13,168,350	\$9,100,553	69.1%	\$0	\$9,100,553
47	Pennsylvania	10/6/2011	\$28,893,899	\$19,297,053	66.8%	\$907,932	\$20,204,985
48	Nevada	9/30/2011	\$13,803,176	\$8,949,907	64.8%	\$0	\$8,949,907
49	Indiana	5/27/2011	\$34,339,074	\$21,986,136	64.0%	\$0	\$21,986,136
50	New Jersey	9/22/2011	\$33,760,698	\$21,108,026	62.5%	\$575,243	\$21,683,269
51	Wisconsin	9/22/2011	\$22,363,554	\$12,340,703	55.2%	\$0	\$12,340,703
52	District of Columbia	8/15/2011	\$13,168,350	\$7,255,700	55.1%	\$0	\$7,255,700
53	Maryland	6/2/2011	\$23,025,709	\$12,639,036	54.9%	\$0	\$12,639,036
54	Maine	9/6/2011	\$13,168,350	\$7,150,840	54.3%	\$0	\$7,150,840
55	Rhode Island	9/6/2011	\$13,168,350	\$6,991,352	53.1%	\$0	\$6,991,352
56	Northern Mariana	3/14/2012	\$13,168,350	\$4,252,857	32.3%	\$0	\$4,252,857
57	American Samoa	2/14/2012	\$10,500,000	\$576,178	5.5%	\$0	\$576,178
TOTAL			\$1,456,310,045	\$1,224,068,226	84.1%	\$215,530,723	\$1,439,598,949

*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 06/30/2016)

#	State	Agreement Date	Allocated Amount**	Original SSBCI Allocation Deployed	Percent	Recycled Funds Deployed	Total Funds Deployed***
1	California	5/19/2011	\$167,755,641	\$130,574,951	77.8%	\$11,181,655	\$141,756,606
2	Florida	8/24/2011	\$97,662,349	\$77,258,321	79.1%	\$38,794,954	\$116,053,275
3	Michigan	7/6/2011	\$79,157,742	\$74,530,790	94.2%	\$26,521,191	\$101,051,981
4	Alabama	8/24/2011	\$31,301,498	\$29,074,297	92.9%	\$63,973,701	\$93,047,998
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6	North Carolina	5/23/2011	\$46,061,319	\$46,061,319	100.0%	\$5,912,274	\$51,973,593
7	Texas	8/15/2011	\$46,553,879	\$45,974,397	98.8%	\$0	\$45,974,397
8	Georgia	12/13/2011	\$47,808,507	\$41,275,099	86.3%	\$3,884,050	\$45,159,149
9	New York	9/26/2011	\$55,351,534	\$44,718,274	80.8%	\$0	\$44,718,274
10	Ohio	9/2/2011	\$55,110,020	\$41,201,529	74.8%	\$0	\$41,201,529
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20	Colorado	10/11/2011	\$17,233,489	\$17,233,489	100.0%	\$2,932,040	\$20,165,529
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31	New Hampshire	7/18/2011	\$13,168,350	\$13,168,350	100.0%	\$0	\$13,168,350
32	Hawaii	5/27/2011	\$13,168,350	\$13,069,975	99.3%	\$0	\$13,069,975
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51	Nevada	9/30/2011	\$13,803,176	\$8,949,907	64.8%	\$0	\$8,949,907
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TOTAL			\$1,456,310,045	\$1,224,068,226	84.1%	\$215,530,723	\$1,439,598,949

*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.