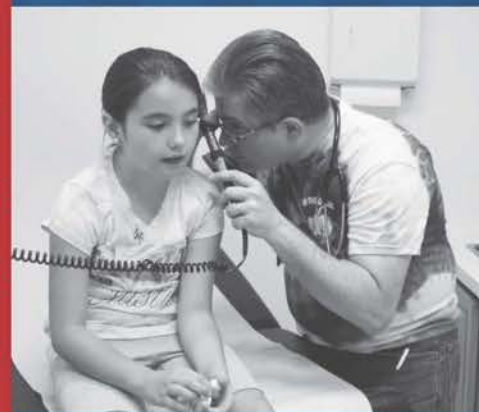




STATE SMALL BUSINESS  
CREDIT INITIATIVE:

A SUMMARY OF STATES'  
**QUARTERLY  
REPORTS**

SEPTEMBER 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.<sup>1</sup>

- **States have drawn 97 percent of available funding:** As of September 30, 2016, \$1,412,159,342 out of \$1,454,915,056 or 97 percent of total allocated funds was disbursed to the States.<sup>2</sup> All 57 States received their first disbursement; 56 States received their second disbursement; 50 States received their third disbursement.
- **States have deployed \$1.5 billion to support small business financing:** Through September 30, 2016, States deployed a total of \$1,495,633,194. Of this total, \$1,249,627,460 was from original SSBCI allocations and \$246,005,734 was from recycled<sup>3</sup> 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.<sup>4</sup>

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<sup>1</sup> 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.

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

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

<sup>4</sup> 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

# Colorado

### Forest Ridge Senior Living, LLC: Providing Senior Care for Rural Residents



In 2011, local small business owner Robert Schleicher recognized the need for a modern skilled nursing facility in rural Teller County that could offer high-quality skilled care and short-term rehabilitation in addition to assisted living facilities. However, the project lacked sufficient collateral resources to secure the financing.

Fortunately, the project qualified for Colorado's SSBCI-funded Cash Collateral Support (CCS) program administered by the Colorado Housing and Finance Authority (CHFA). The cash collateral deposit of \$1.85 million from the CCS program enabled Peoples National Bank to provide \$11.3 million needed to

complete the construction of the Forest Ridge project and provide the business with \$2 million in operating lines of credit. The facility with 80 private rooms opened in June of 2016.

"It has always been important to give back and be integrated within the community. Forest Ridge Senior Living provides a quality place for residents to bring their loved ones closer to home. We also work closely with the hospital, which helps them better serve the community overall, and we're bringing 80-120 new jobs to the area. All of this would not be possible without CHFA and the CCS program," said Schleicher.



# New York

## Improving Baby Bottles with a Revolutionary Design



New mom Priska Diaz was having a hard time feeding her newborn with a traditional baby bottle. Her experience led her to invent The Bare Bottle – a baby bottle that worked like a syringe to keep air out of the bottle and baby and start the company Bittylab.

Bittylab struck a deal with large retailer but did not have the cash flow to cover the cost of producing enough product for the order. Diaz turned to Community Capital, a CDFI based in the Mid-Hudson Region, for financing.

The loan Diaz needed was large for Community Capital, so the CDFI

partnered with the New York State Capital Access Program, funded by SSBCI. The small business loan allowed the company to fulfill the orders and The Bare Bottle is now available nationwide.

"I only had a couple of weeks left to come up with available funds or I was going to miss the shipment deadline, which meant Community Capital had to move really fast," explained Diaz. "They [Community Capital] were easy to work with and provided the money so we were able to pay on time and get our merchandise to the warehouse with days to spare."

# North Dakota

## Protecting "Man's Best Friend" from a Common Virus



Avianax, LLC is a biotechnology research company run by President Jim Schiltz, the owner of a large goose farm that was nearly wiped out by avian flu several years ago. Through this unfortunate event, Avianax was formed to develop antibodies and vaccines for viral, infectious diseases. Avianax has focused its sights on protecting dogs and puppies from the deadly parvovirus.

To continue research on its product, parvoONE, the company needed \$675,000 to purchase an egg inventory and provide working capital. The Red River Corridor Fund's SSBCI Collateral Support Program was able to fill a financing gap with a \$202,500 collateral deposit.

In field trials, approved by the USDA, parvoONE has been successful in reducing mortality rates and hospitalization time for dogs and puppies affected by the parvovirus. As a result of the SSBCI enabled financing Avianax has created seven jobs and retained three more.

"The collateral support provided by the Red River Corridor Fund was instrumental to financing the development of ParvoONE" said Schiltz. "This financing allowed us to continue the commercialization of this breakthrough biotechnology antibody treatment and soon deliver it to the market place to help save hundreds of thousands of beloved companion pets each year."

# Pennsylvania

## **Saving Companies from Underground Utilities**



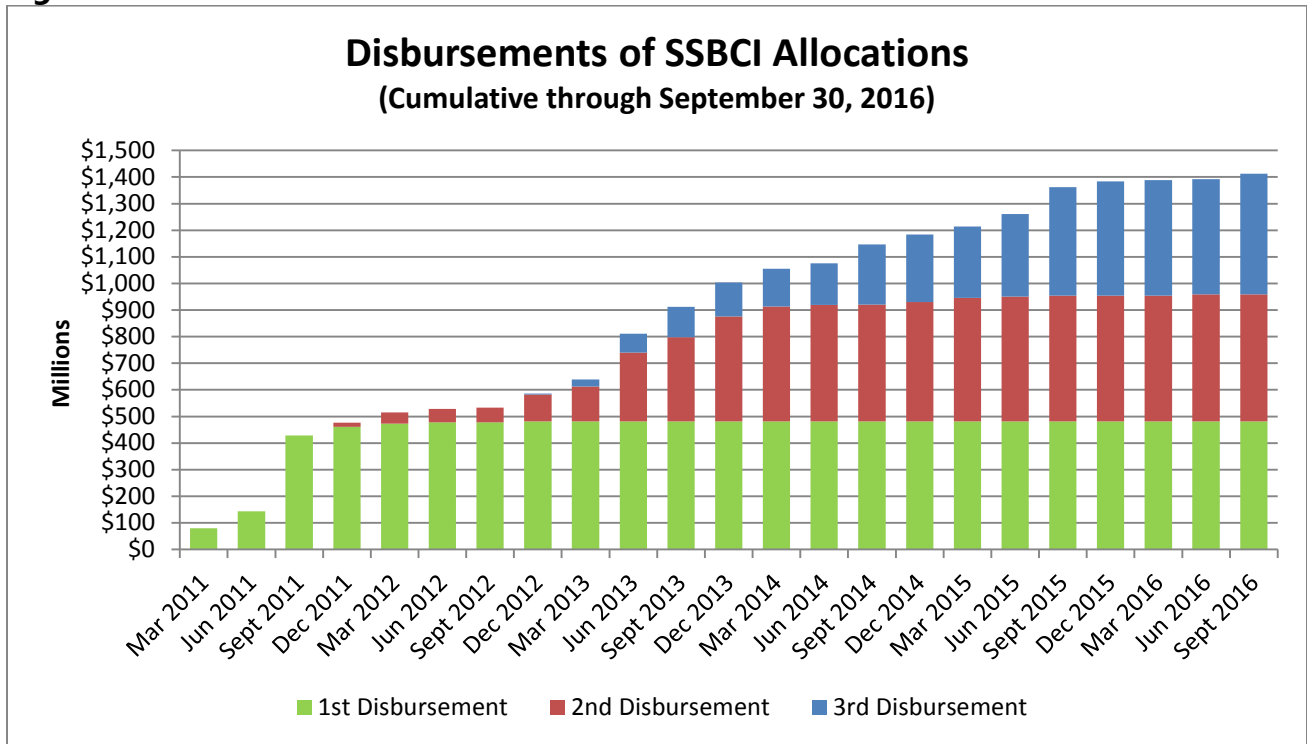
Locating Utilities Infrastructure Services (LUIS) is a Philadelphia-based subsurface utility location business founded by Luis Berrios. The company provides services during the pre-construction phase of projects to locate buried gas, sewer, water, electrical, and communications lines.

Like many small business owners, Berrios saw an opportunity to expand his business but did not have the economic resources to take advantage of it so he turned to the Economic Opportunities Fund (EOF). With the help of an SSBCI-financed loan in 2012, Berrios was able to purchase the necessary equipment

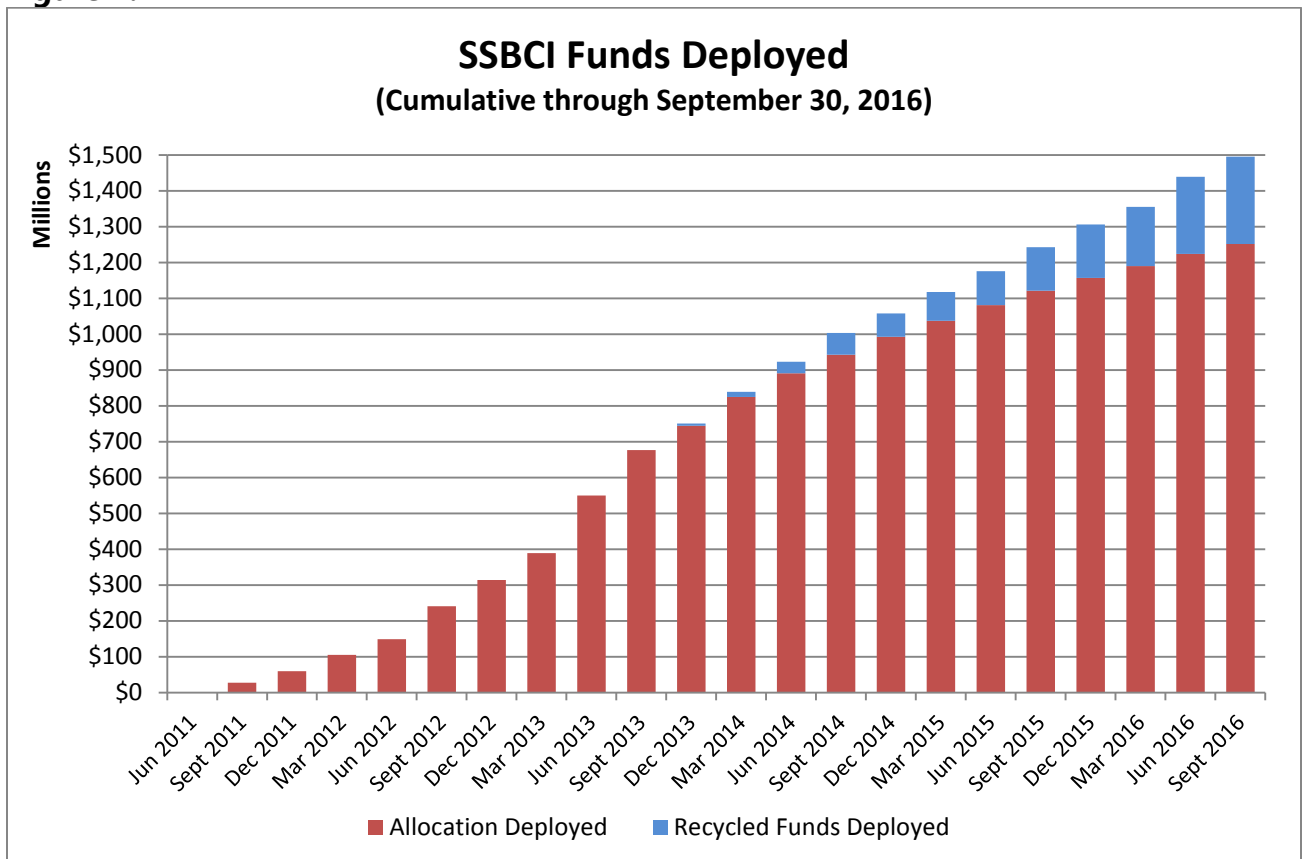
and perform as a sub-contractor for the Philadelphia Water Department (PWD). As part of PWD's 25 year-long "Green City, Clean Waters" initiative, LUIS provided property owners with storm-water site evaluations. Sales more than doubled as a result.

Overtime, PWD expanded its contract with LUIS and even enlisted Berrios to train other utility locators for them. With this expanded contract, Berrios plans to hire two more employees, doubling his workforce and further expand his company.

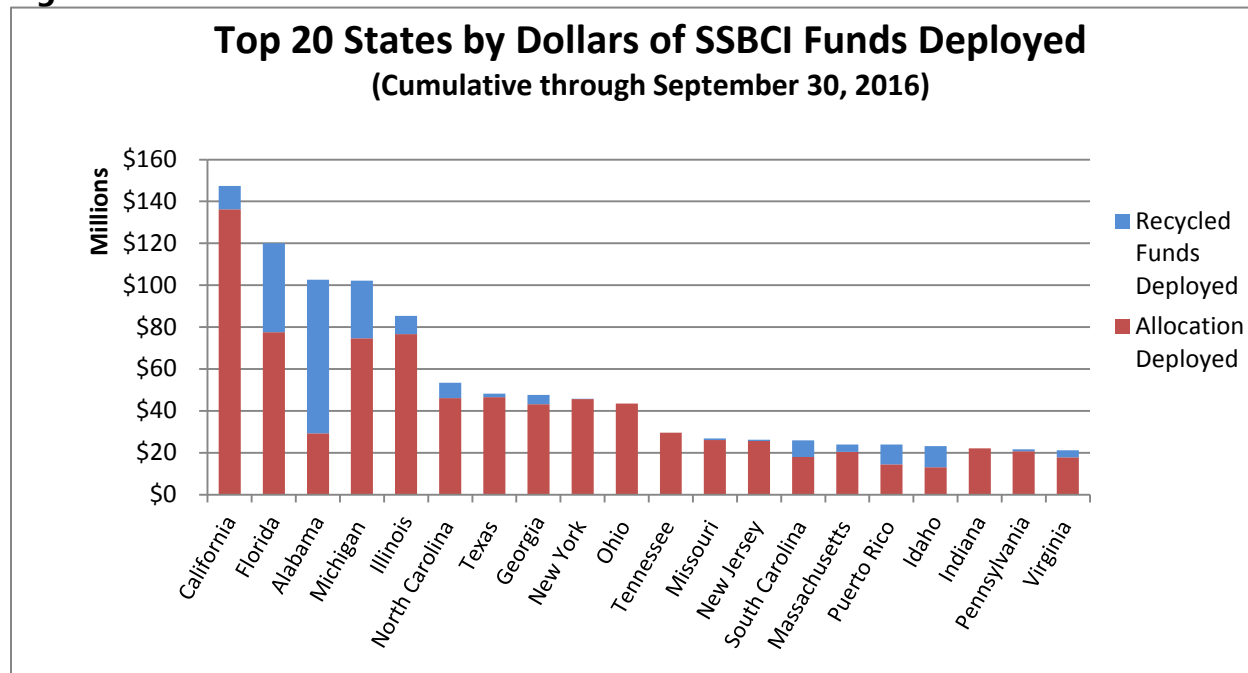
**Figure 1.**



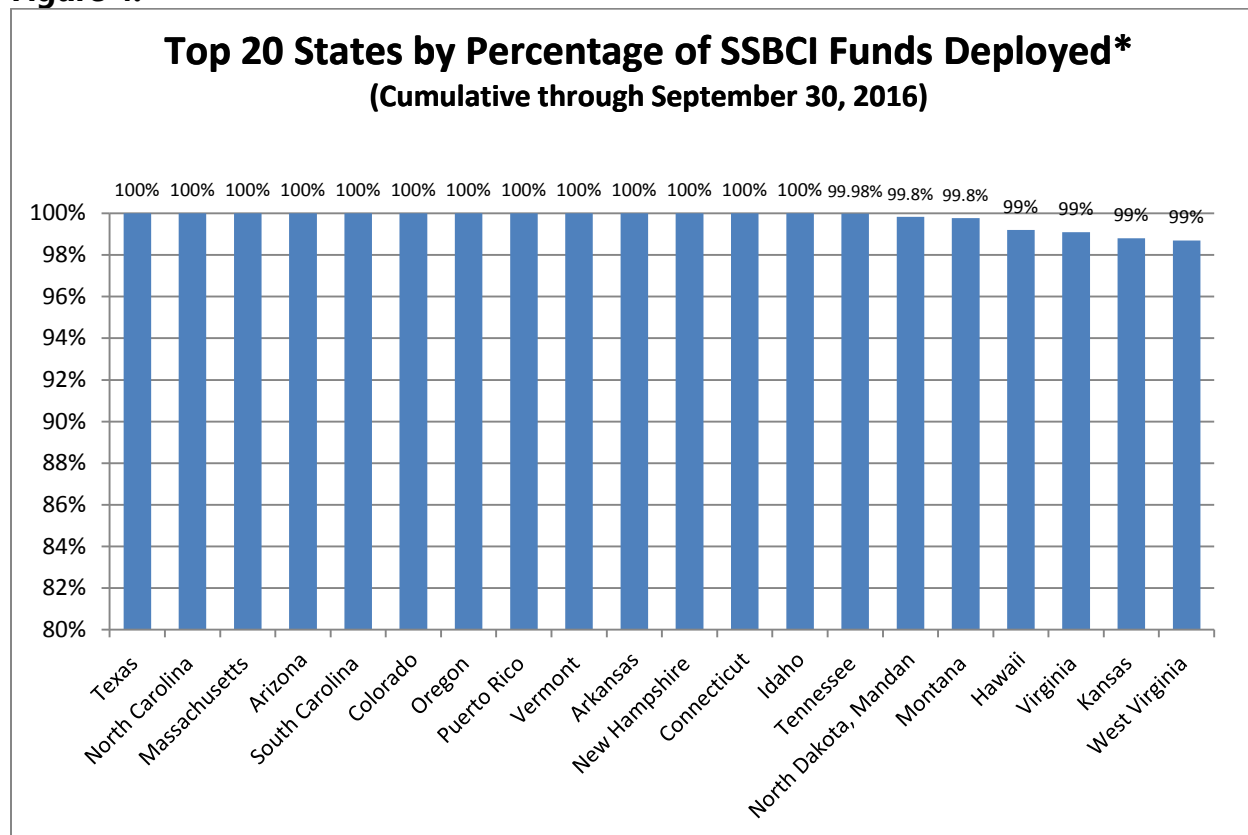
**Figure 2.**



**Figure 3.**



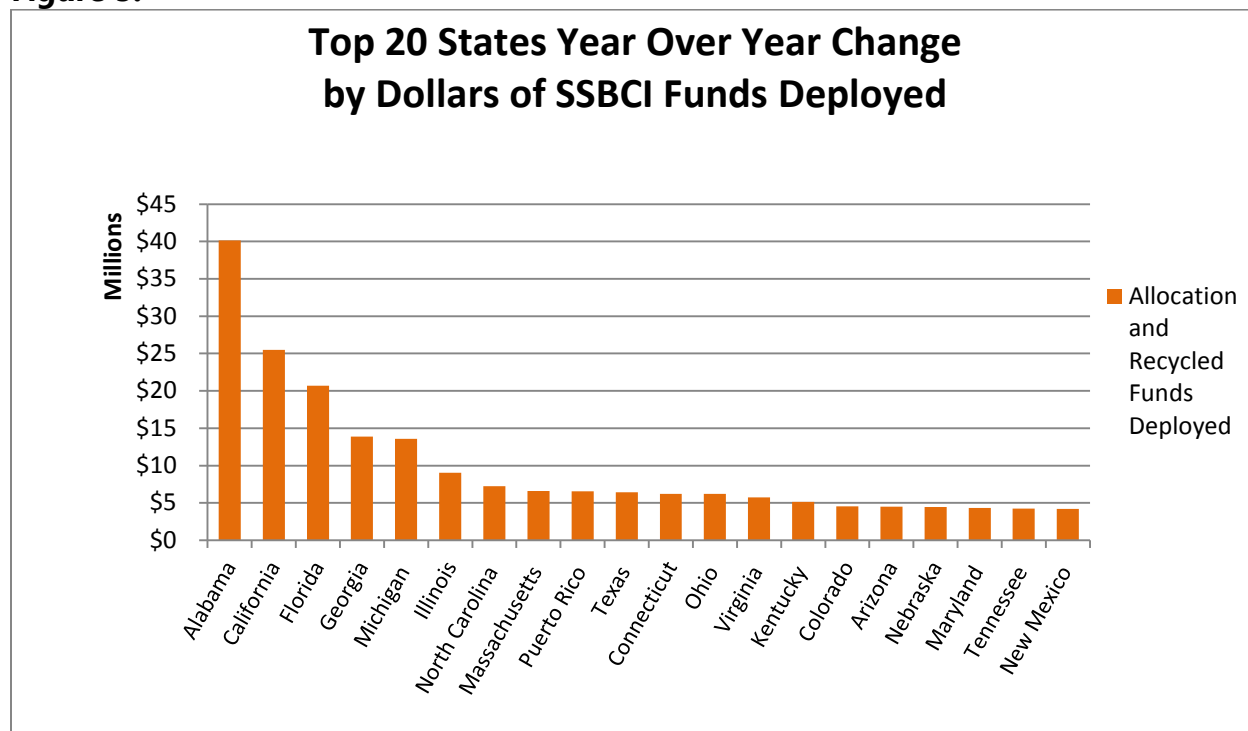
**Figure 4.**



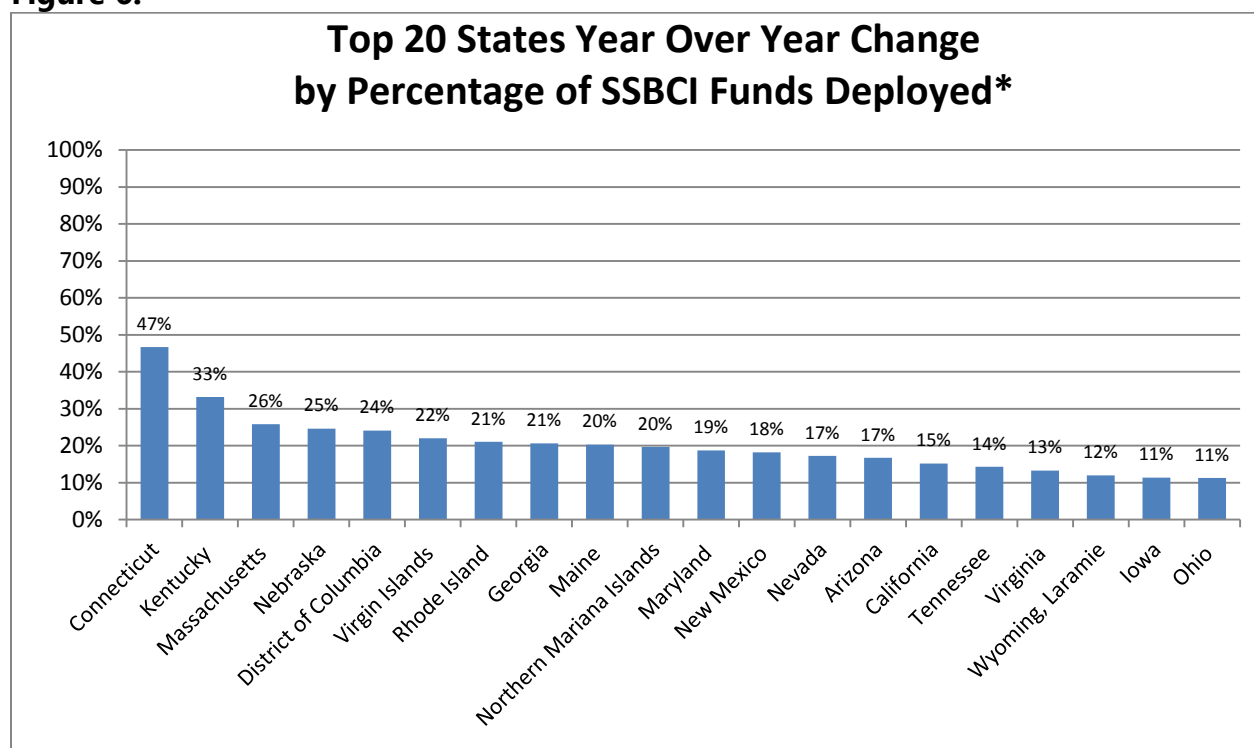
\* For purposes of calculating percent of allocation deployed (expended, obligated or transferred), Treasury does not count any recycled SSBCI funds.



**Figure 5.**

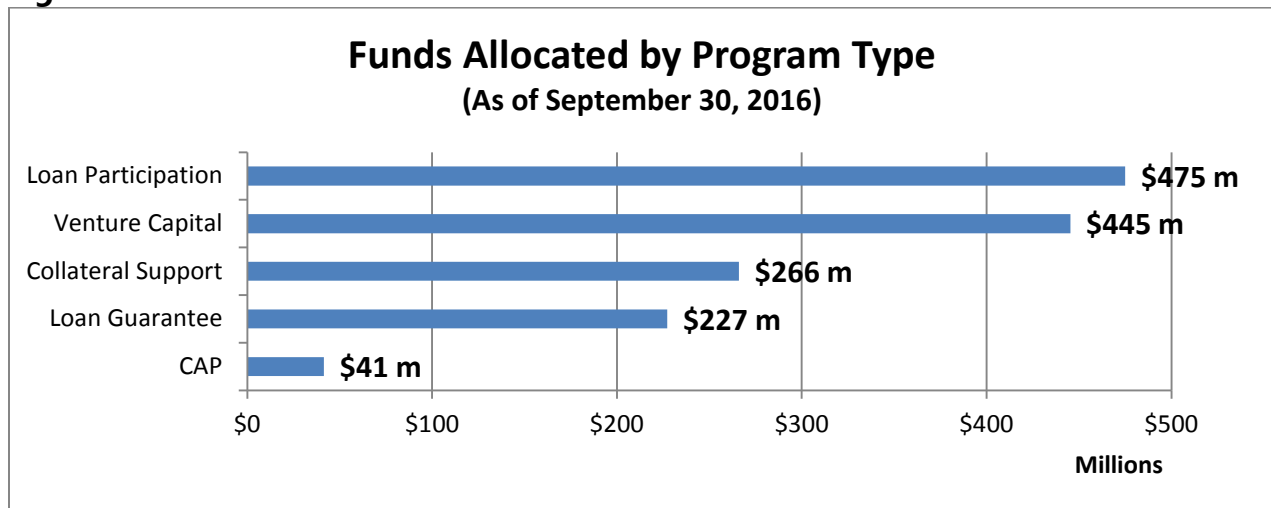


**Figure 6.**

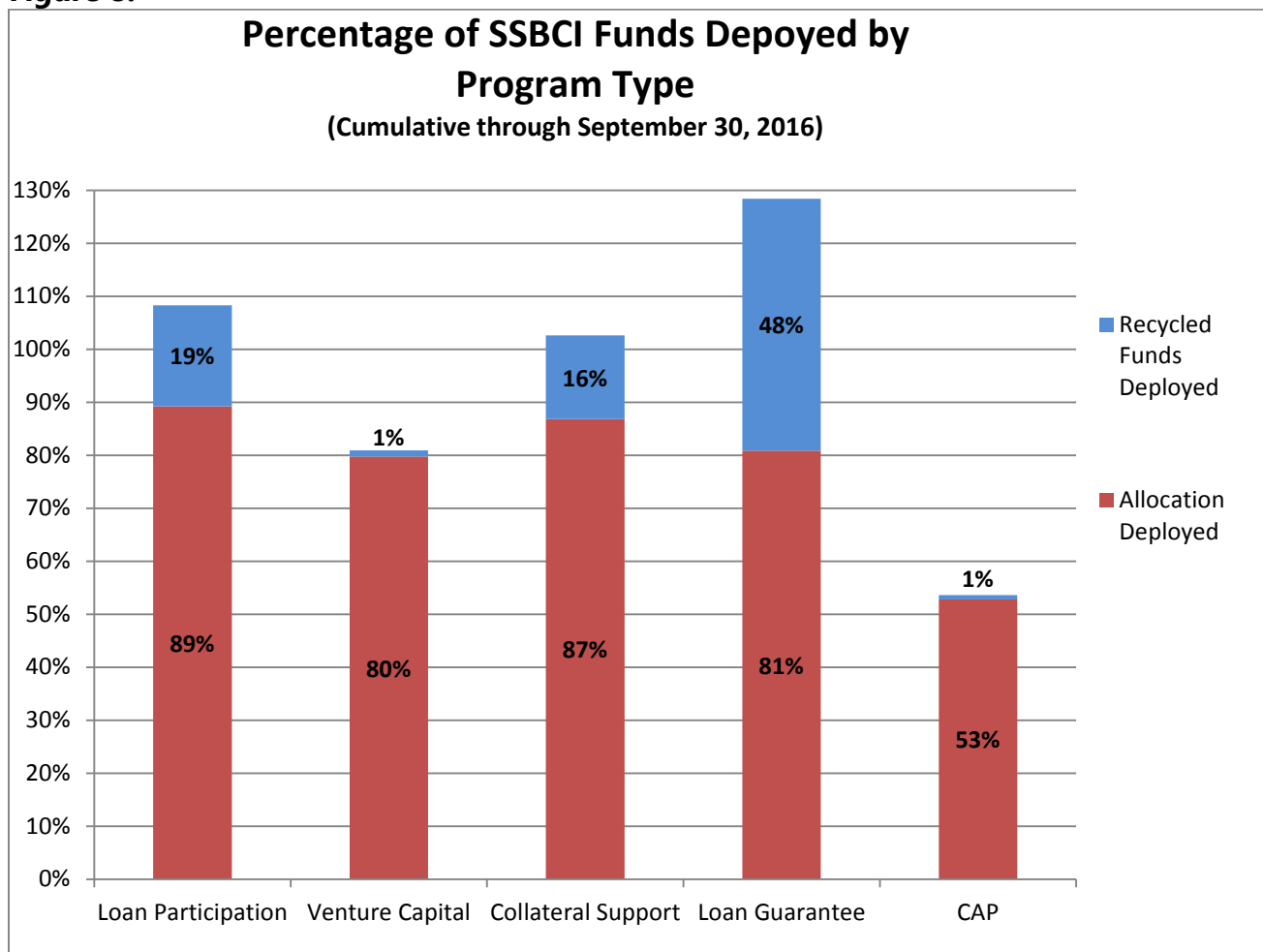


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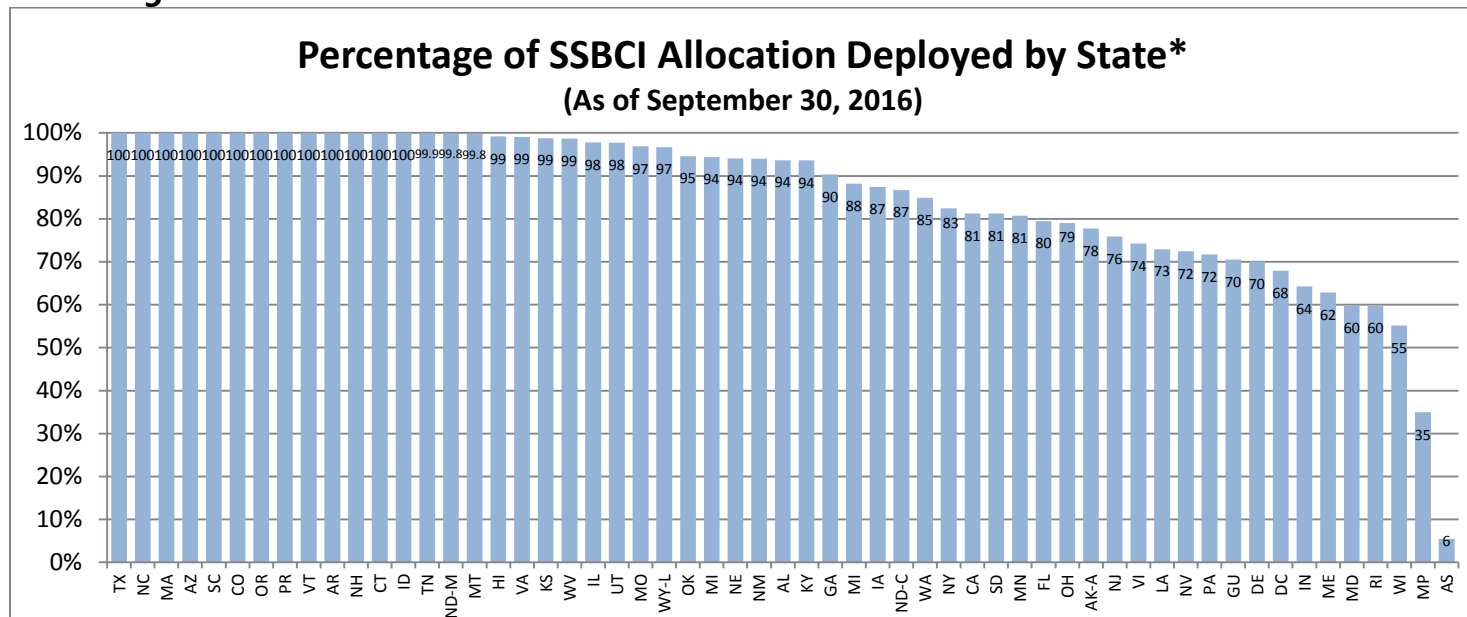
**Figure 7.**



**Figure 8.**

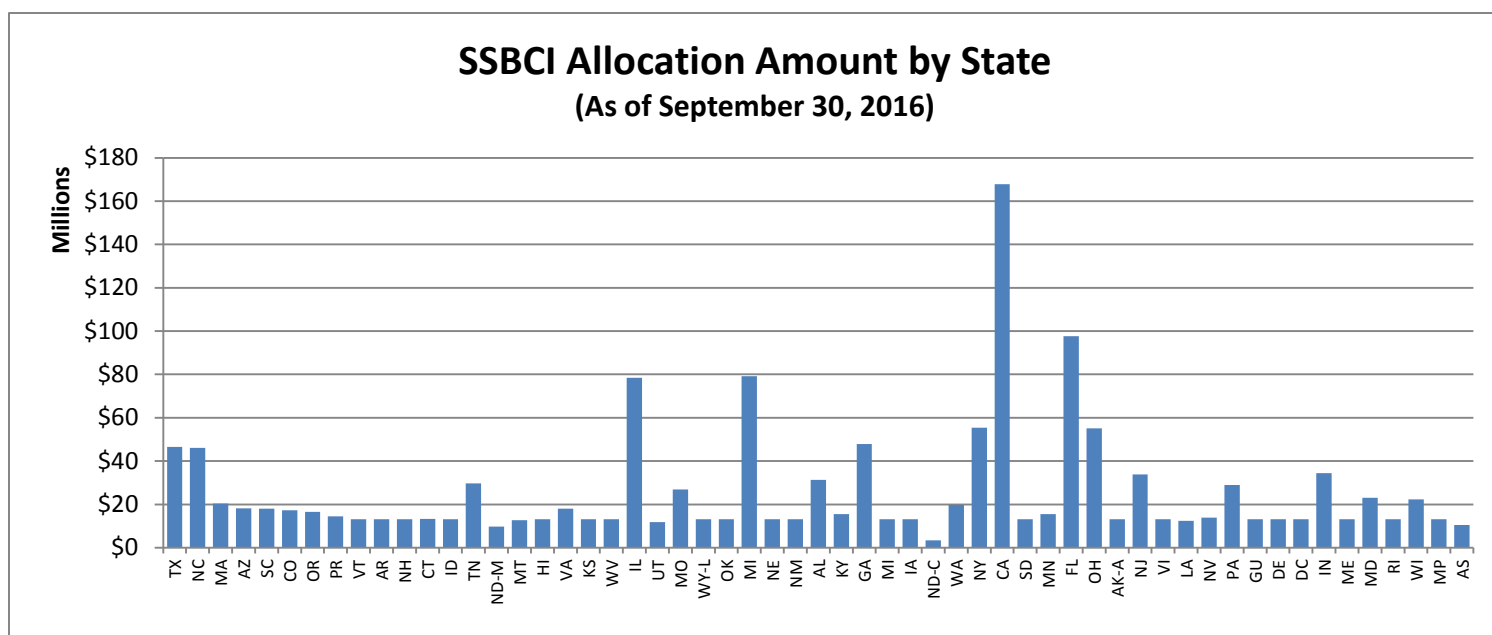


**Figure 9.**



\* 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 09/30/2016)

#	State	Agreement Date	Allocated Amount**	Original SSBCI Allocation Deployed	Percent	Recycled Funds Deployed	Total Funds Deployed***
1	Texas	8/15/2011	\$46,553,879	\$46,553,879	100.0%	\$1,699,156	\$48,253,035
2	North Carolina	5/23/2011	\$46,061,319	\$46,061,319	100.0%	\$7,388,446	\$53,449,765
3	Massachusetts	9/13/2011	\$20,445,072	\$20,445,073	100.0%	\$3,468,417	\$23,913,490
4	Arizona	11/7/2011	\$18,204,217	\$18,204,217	100.0%	\$1,440,549	\$19,644,766
5	South Carolina	7/6/2011	\$17,990,415	\$17,990,415	100.0%	\$7,929,032	\$25,919,447
6	Colorado	10/11/2011	\$17,233,489	\$17,233,489	100.0%	\$3,350,842	\$20,584,331
7	Oregon	8/29/2011	\$16,516,197	\$16,516,197	100.0%	\$836,782	\$17,352,979
8	Puerto Rico	10/6/2011	\$14,540,057	\$14,540,057	100.0%	\$9,371,566	\$23,911,623
9	Vermont	5/23/2011	\$13,168,350	\$13,168,350	100.0%	\$5,410,634	\$18,578,984
10	Arkansas	10/31/2011	\$13,168,350	\$13,168,350	100.0%	\$2,084,215	\$15,252,565
11	New Hampshire	7/18/2011	\$13,168,350	\$13,168,350	100.0%	\$0	\$13,168,350
12	Connecticut	7/14/2011	\$13,301,126	\$13,301,126	100.0%	\$0	\$13,301,126
13	Idaho	8/29/2011	\$13,136,544	\$13,136,544	100.0%	\$10,066,632	\$23,203,176
14	Tennessee	10/4/2011	\$29,672,070	\$29,664,820	99.98%	\$0	\$29,664,820
15	North Dakota, Mandan	8/31/2012	\$9,734,641	\$9,717,680	99.83%	\$3,425,733	\$13,143,413
16	Montana	7/18/2011	\$12,765,037	\$12,735,493	99.77%	\$0	\$12,735,493
17	Hawaii	5/27/2011	\$13,168,350	\$13,059,594	99.2%	\$0	\$13,059,594
18	Virginia	8/15/2011	\$17,953,191	\$17,790,273	99.1%	\$3,366,397	\$21,156,670
19	Kansas	6/28/2011	\$13,168,350	\$13,004,837	98.8%	\$1,538,123	\$14,542,960
20	West Virginia	11/18/2011	\$13,168,350	\$12,996,410	98.7%	\$1,407,710	\$14,404,120
21	Illinois	7/26/2011	\$78,365,264	\$76,633,399	97.8%	\$8,723,250	\$85,356,649
22	Utah	9/30/2011	\$11,773,361	\$11,503,331	97.7%	\$5,842,073	\$17,345,404
23	Missouri	5/23/2011	\$26,930,294	\$26,086,999	96.9%	\$784,101	\$26,871,100
24	Wyoming, Laramie	12/4/2012	\$13,168,350	\$12,729,981	96.7%	\$609,705	\$13,339,686
25	Oklahoma	7/18/2011	\$13,168,350	\$12,459,153	94.6%	\$0	\$12,459,153
26	Michigan	7/6/2011	\$79,157,742	\$74,708,130	94.4%	\$27,462,991	\$102,171,121
27	Nebraska	10/4/2011	\$13,168,350	\$12,391,517	94.1%	\$1,203,786	\$13,595,303
28	New Mexico	10/11/2011	\$13,168,350	\$12,380,460	94.0%	\$1,813,962	\$14,194,422
29	Alabama	8/24/2011	\$31,301,498	\$29,312,098	93.6%	\$73,341,802	\$102,653,900
30	Kentucky	7/28/2011	\$15,487,998	\$14,495,168	93.6%	\$0	\$14,495,168
31	Georgia	12/13/2011	\$47,808,507	\$43,183,398	90.3%	\$4,496,550	\$47,679,948
32	Mississippi	8/24/2011	\$13,168,350	\$11,611,426	88.2%	\$67,750	\$11,679,176
33	Iowa	8/30/2011	\$13,065,020	\$11,424,503	87.4%	\$0	\$11,424,503
34	North Dakota,	9/28/2012	\$3,433,709	\$2,975,774	86.7%	\$300,000	\$3,275,774
35	Washington	10/31/2011	\$19,722,515	\$16,743,637	84.9%	\$1,485,000	\$18,228,637
36	New York	9/26/2011	\$55,351,534	\$45,637,816	82.5%	\$198,274	\$45,836,089
37	California	5/19/2011	\$167,755,641	\$136,241,289	81.2%	\$11,181,655	\$147,422,944
38	South Dakota	9/22/2011	\$13,168,350	\$10,698,289	81.2%	\$0	\$10,698,289
39	Minnesota	9/30/2011	\$15,463,182	\$12,484,460	80.7%	\$421,818	\$12,906,278
40	Florida	8/24/2011	\$97,662,349	\$77,595,707	79.5%	\$42,525,574	\$120,121,281
41	Ohio	9/2/2011	\$55,110,020	\$43,559,201	79.0%	\$0	\$43,559,201
42	Alaska, Anchorage	1/26/2012	\$13,168,350	\$10,236,271	77.7%	\$0	\$10,236,271
43	New Jersey	9/22/2011	\$33,760,698	\$25,612,526	75.9%	\$575,243	\$26,187,769
44	U.S. Virgin Islands	10/4/2011	\$13,168,350	\$9,774,796	74.2%	\$0	\$9,774,796
45	Louisiana	8/24/2011	\$12,366,058	\$9,017,039	72.9%	\$1,278,818	\$10,295,857
46	Nevada	9/30/2011	\$13,803,176	\$9,998,367	72.4%	\$0	\$9,998,367
47	Pennsylvania	10/6/2011	\$28,893,899	\$20,730,193	71.7%	\$909,147	\$21,639,340
48	Guam	9/30/2011	\$13,168,350	\$9,284,778	70.5%	\$0	\$9,284,778
49	Delaware	7/18/2011	\$13,168,350	\$9,228,643	70.1%	\$0	\$9,228,643
50	District of Columbia	8/15/2011	\$13,168,350	\$8,940,700	67.9%	\$0	\$8,940,700
51	Indiana	5/27/2011	\$34,339,074	\$22,067,886	64.3%	\$0	\$22,067,886
52	Maine	9/6/2011	\$13,168,350	\$8,275,310	62.8%	\$0	\$8,275,310
53	Maryland	6/2/2011	\$23,025,709	\$13,762,644	59.8%	\$0	\$13,762,644
54	Rhode Island	9/6/2011	\$13,168,350	\$7,866,353	59.7%	\$0	\$7,866,353
55	Wisconsin	9/22/2011	\$22,363,554	\$12,340,703	55.2%	\$0	\$12,340,703
56	Northern Mariana	3/14/2012	\$13,168,350	\$4,602,867	35.0%	\$0	\$4,602,867
57	American Samoa	2/14/2012	\$10,500,000	\$576,178	5.5%	\$0	\$576,178
<b>TOTAL</b>			<b>\$1,454,915,056</b>	<b>\$1,249,627,460</b>	<b>85.9%</b>	<b>\$246,005,734</b>	<b>\$1,495,633,194</b>

\*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 09/30/2016)

#	State	Agreement Date	Allocated Amount**	Original SSBCI Allocation Deployed	Percent	Recycled Funds Deployed	Total Funds Deployed***
1	California	5/19/2011	\$167,755,641	\$136,241,289	81.2%	\$11,181,655	\$147,422,944
2	Florida	8/24/2011	\$97,662,349	\$77,595,707	79.5%	\$42,525,574	\$120,121,281
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5	Illinois	7/26/2011	\$78,365,264	\$76,633,399	97.8%	\$8,723,250	\$85,356,649
6	North Carolina	5/23/2011	\$46,061,319	\$46,061,319	100.0%	\$7,388,446	\$53,449,765
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8	Georgia	12/13/2011	\$47,808,507	\$43,183,398	90.3%	\$4,496,550	\$47,679,948
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10	Ohio	9/2/2011	\$55,110,020	\$43,559,201	79.0%	\$0	\$43,559,201
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12	Missouri	5/23/2011	\$26,930,294	\$26,086,999	96.9%	\$784,101	\$26,871,100
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37	North Dakota, Mandan	8/31/2012	\$9,734,641	\$9,717,680	99.83%	\$3,425,733	\$13,143,413
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52	District of Columbia	8/15/2011	\$13,168,350	\$8,940,700	67.9%	\$0	\$8,940,700
53	Maine	9/6/2011	\$13,168,350	\$8,275,310	62.8%	\$0	\$8,275,310
54	Rhode Island	9/6/2011	\$13,168,350	\$7,866,353	59.7%	\$0	\$7,866,353
55	Northern Mariana	3/14/2012	\$13,168,350	\$4,602,867	35.0%	\$0	\$4,602,867
56	North Dakota,	9/28/2012	\$3,433,709	\$2,975,774	86.7%	\$300,000	\$3,275,774
57	American Samoa	2/14/2012	\$10,500,000	\$576,178	5.5%	\$0	\$576,178
<b>TOTAL</b>			<b>\$1,454,915,056</b>	<b>\$1,249,627,460</b>	<b>85.9%</b>	<b>\$246,005,734</b>	<b>\$1,495,633,194</b>

\*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.