



STATE SMALL BUSINESS  
CREDIT INITIATIVE:

A SUMMARY OF STATES'  
**QUARTERLY  
REPORTS**

DECEMBER 31, 2016



SSBCI

## Summary

Created by the Small Business Jobs Act of 2010 (P.L. 111-240) (the Act), the State Small Business Credit Initiative (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 and state-sponsored venture capital programs. States receive funding in three equal disbursements based on cumulative funds deployed.<sup>1</sup>

- **States have drawn 98 percent of available funding:** As of December 31, 2016, \$1,433,739,156 out of \$1,460,130,382 or 98 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; 53 States received their third disbursement. The funds disbursed include \$5,721,594 in reallocated<sup>3</sup> funds distributed to 46 Participating States in December 2016.
- **States have deployed \$1.6 billion to support small business financing:** Through December 31, 2016, States deployed a total of \$1,555,623,157. Of this total, \$1,275,733,456 was from original SSBCI allocations and \$279,889,701 was from recycled<sup>4</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.
- **Most States have deployed their available funds to generate new financing:** Through December 31, 2016, 32 States have deployed over 90 percent of their allocated funds to support new small business loans or investments.

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<sup>1</sup> SSBCI funds deployed are those legally expended, obligated, or transferred. 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> Treasury reallocated funds that were deallocated from allocations prior to October 31, 2016, due to violations of the terms of the Allocation Agreement.

<sup>4</sup> "Recycled" funds refer to program income, interest earned, or principal repayments that States deploy to support new transactions.

## SSBCI at Work: Featured Businesses

### Michigan: Beautiful Bridal Sets Up Shop in Detroit



Keasha Rigsby had nine years of experience consulting in a prestigious Manhattan boutique, but the high price of real estate in New York City made starting her own business there extremely difficult. So Keasha and her business partner turned to one of the most affordable

metropolitan areas in the country, Detroit, to locate their new business venture, Beautiful Bridal, LLC.

In 2015 the company acquired and renovated its new location, but still needed a loan for working capital and inventory. As a new business, with little history and collateral, conventional commercial credit was not available. Beautiful Bridal turned to the Detroit Development Fund (DDF), a CDFI, for financing. DDF participates in the Michigan Economic Development Corporation's (MEDC's) SSBCI-supported Loan Guaranty Program.

With an 80% guaranty from the MEDC program, DDF was able to provide Beautiful Bridal with the \$100,000 loan it needed at an interest rate it could afford. With the working capital loan in place, Beautiful Bridal opened its doors in February of 2016.

According to John Schoeniger, DDF Loan Fund Manager, "Support from SSBCI allows Detroit Development Fund to provide growth capital to small businesses like Beautiful Bridal that would otherwise be unable to qualify for more traditional financing."

## Minnesota: Providing Non-Emergency Medical Transportation



Family Care Transportation (FCT) is a minority, immigrant-owned firm that contracts with Minnesota health care plans to provide non-emergency medical transportation (NEMT) to medical, dental, and pharmacy appointments. FCT operates in the Twin Cities area as well as some locations in southern Minnesota, serving a customer base of low income seniors most of whom come from African refugee and immigrant populations.

FCT has been in operation for 10 years, with 12 full-time employees and over 250 part-time drivers. In 2016 the business needed a working capital loan of \$50,000 to hire more employees in anticipation of servicing a new contract. When banks were unwilling to finance the expansion, FCT turned to a local CDFI, the African Development Center (ADC). With a 50% participation from Minnesota's SSBCI-funded Emerging Entrepreneur Fund, ADC was able to provide a \$50,000 working capital loan and financial counseling.

According to Nasibu Sareva, ADC's Executive Director, "This was a good example of ADC's dedication to the economic empowerment and success of African immigrants in the state of Minnesota."



## Montana: Expanding Pediatric Dental Care



Children's Dentistry of the Rockies (CDR) provides dental care for children in Missoula and Western Montana. As demand for their services grew, the owners (Joseph and Elena Hylton) saw an opportunity to expand their business. However, to provide dental services to more children they would need to build a larger, state-of-the-art pediatric dental facility.

To make the project economically feasible, CDR needed a 20-year, low interest, fixed rate loan of \$900,000. When no commercial bank in the Missoula area could provide the type of financing needed, CDR turned to Montana CDC (a CDFI participating in Montana's SSBCI program) for help.

Working with First Montana Bank, Montana CDC used SSBCI funds to purchase a \$450,000 participation in the loan at an interest rate lower than the bank's rate. By blending the two interest rates, First Montana Bank was able to provide the borrower with the lower cost financing they needed to expand the business and optimize their cash flow.

"Since the expansion, Pediatric Dentistry of the Rockies has added 8 full-time jobs to the community, so Missoula has definitely seen some broader impacts from this loan," says Mike Hawthorne, President of First Montana Bank. "The lower interest rate was a deciding factor for the Hyltons. The process was smooth and efficient."

## North Dakota: Repairing Cars and Trucks of All Sizes



Advanced Fleet Services is an automotive repair company located in Bismarck, North Dakota, that services cars and trucks of all sizes. When the owners and operators of the business, Terry and Diane Steckler, needed to build a new facility to handle the company's growth, they did not have sufficient collateral to secure the \$1.8 million construction loan.

To solve the financing problem Advanced Fleet Services turned to the North Dakota Opportunity Fund (NDOF). NDOF provided \$812,000 companion construction loan funded by SSBCI that was subordinate to the lead lender, improving the lead lender's collateral position and making the construction loan possible.

The loan allowed the Stecklers to build a new facility with extra space which will lead to less down time and increase efficiencies. With the new building, the business plans to create 12 new jobs over the next two years.

According to Terry Steckler, "The North Dakota Opportunity Fund provided the necessary funding which made this project possible."

## Texas: Supporting Rural Entrepreneurs



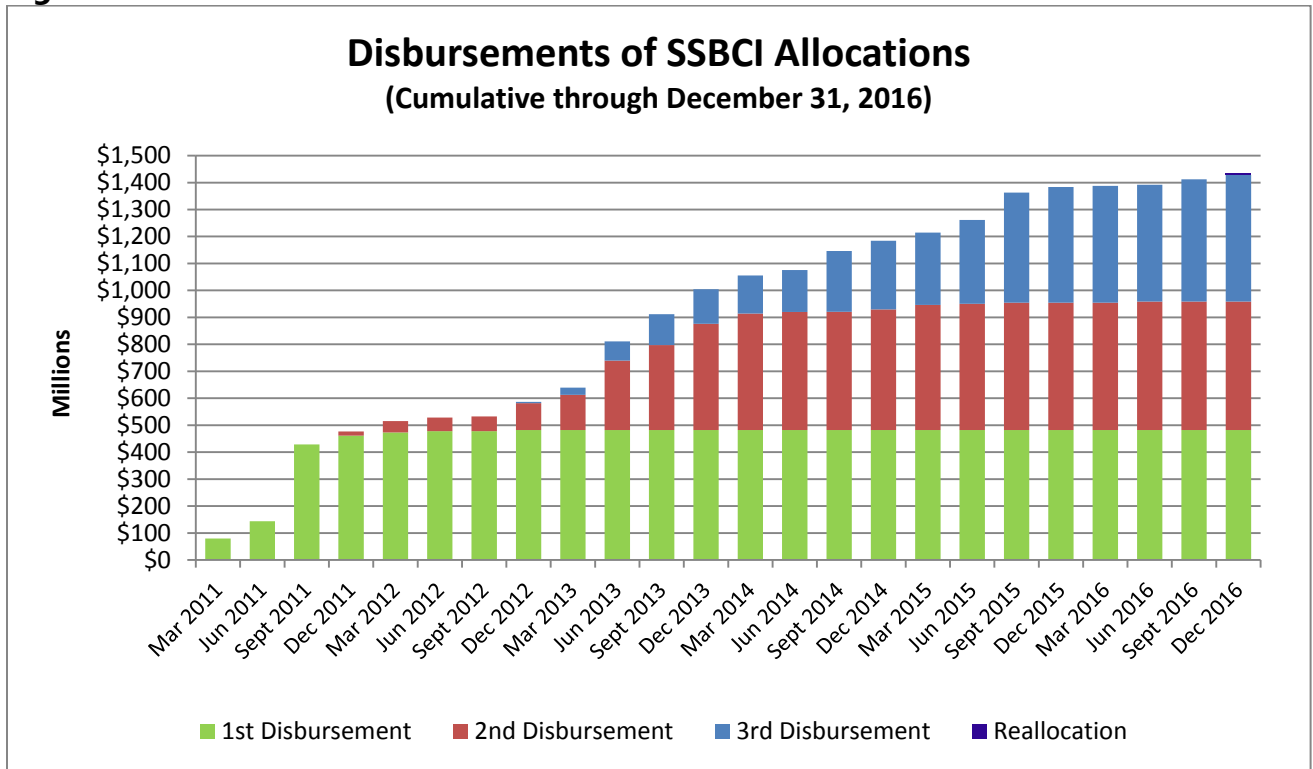
After driving routes for a national logistics company for four years, Gilberto Esparza pursued his lifelong dream of being his own boss. Despite obtaining a large, nationwide trucking contract, he was still a startup business in a risky industry with no revenue history and banks were reluctant to finance his truck purchase.

With a PeopleFund loan through the Capital for Texas program, Gilberto was finally able to get financing he could afford, purchase his own truck and transition to an owner/operator. In addition to continuing his routes from the same logistics company he previously worked for, Gilberto is able to pursue additional contracts using his knowledge of the industry.

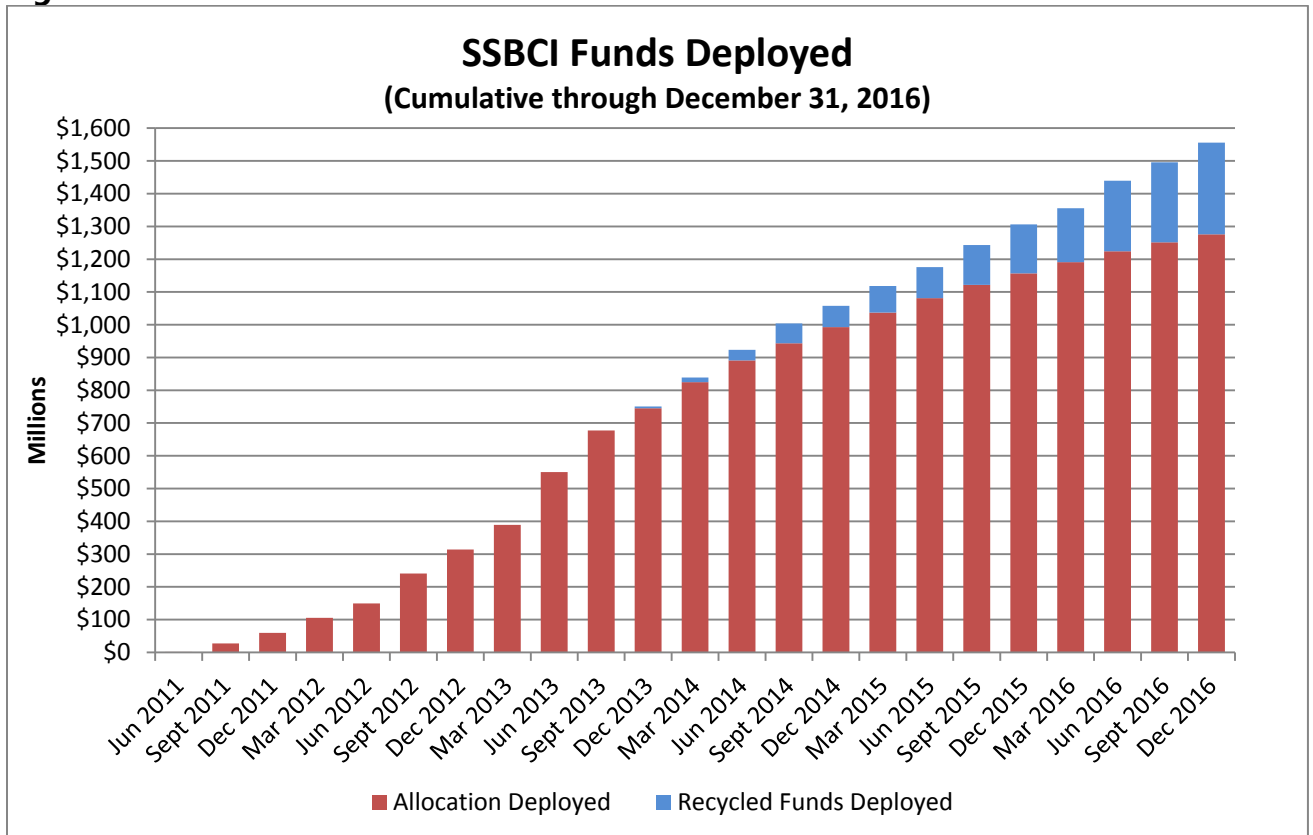
"Gilberto's story is one of many successes through the Capital for Texas program, which empowers rural entrepreneurs with affordable capital to grow their businesses. We've been able to help diverse entrepreneurs and families keep their business dreams alive while building their credit and business expertise," said PeopleFund President & CEO, Gary Lindner. "This is a wonderful example of how federal and state governments collaborate with nonprofits and small business for maximum impact."

"I could not have done it without the Capital for Texas loan. I'll now be able to grow my business in a way I always wanted," Gilberto replied when asked about the program. One day he hopes to expand his business and build a fleet of vehicles so he can create jobs and support international imports and exports.

**Figure 1.**

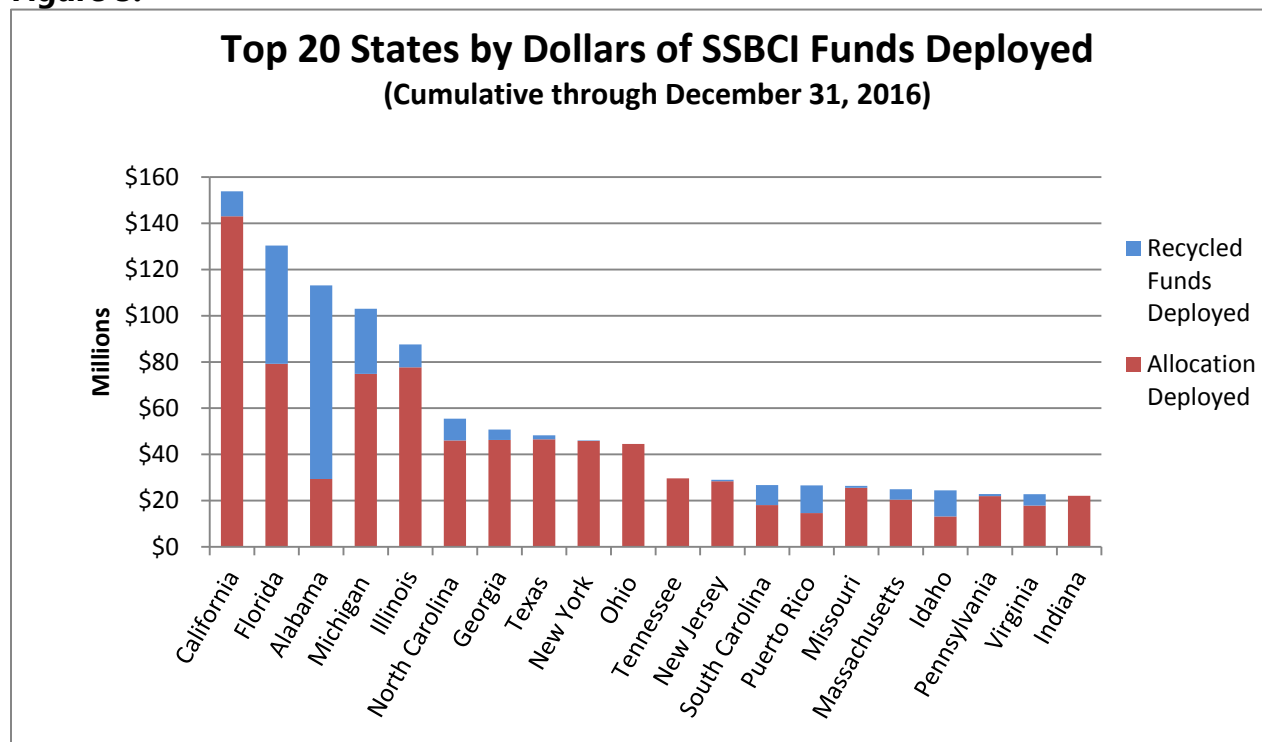


**Figure 2.**

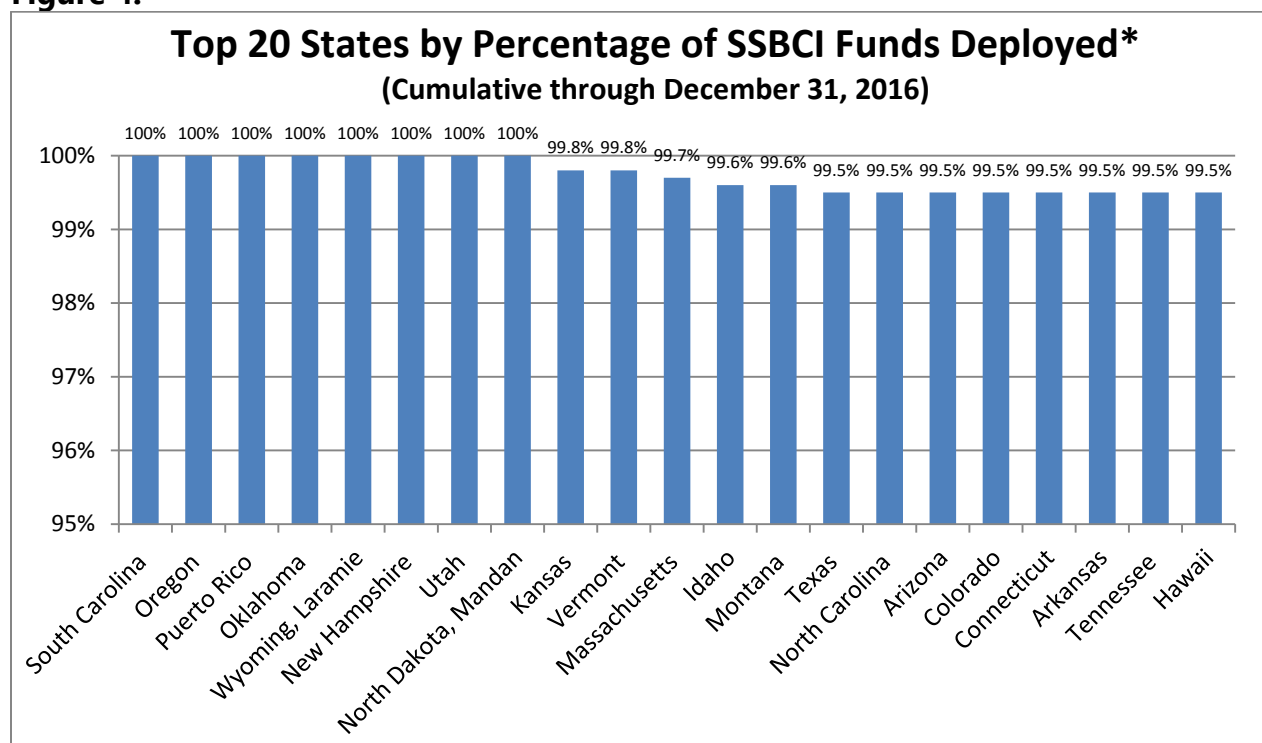




**Figure 3.**

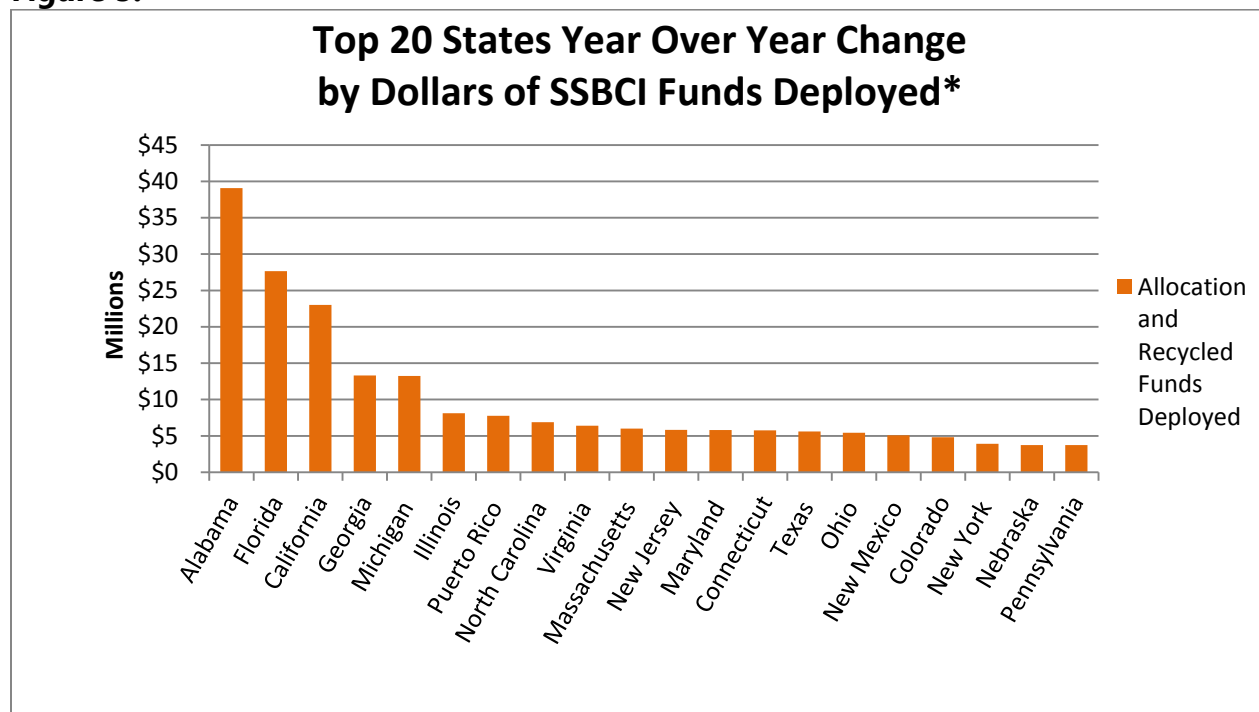


**Figure 4.**

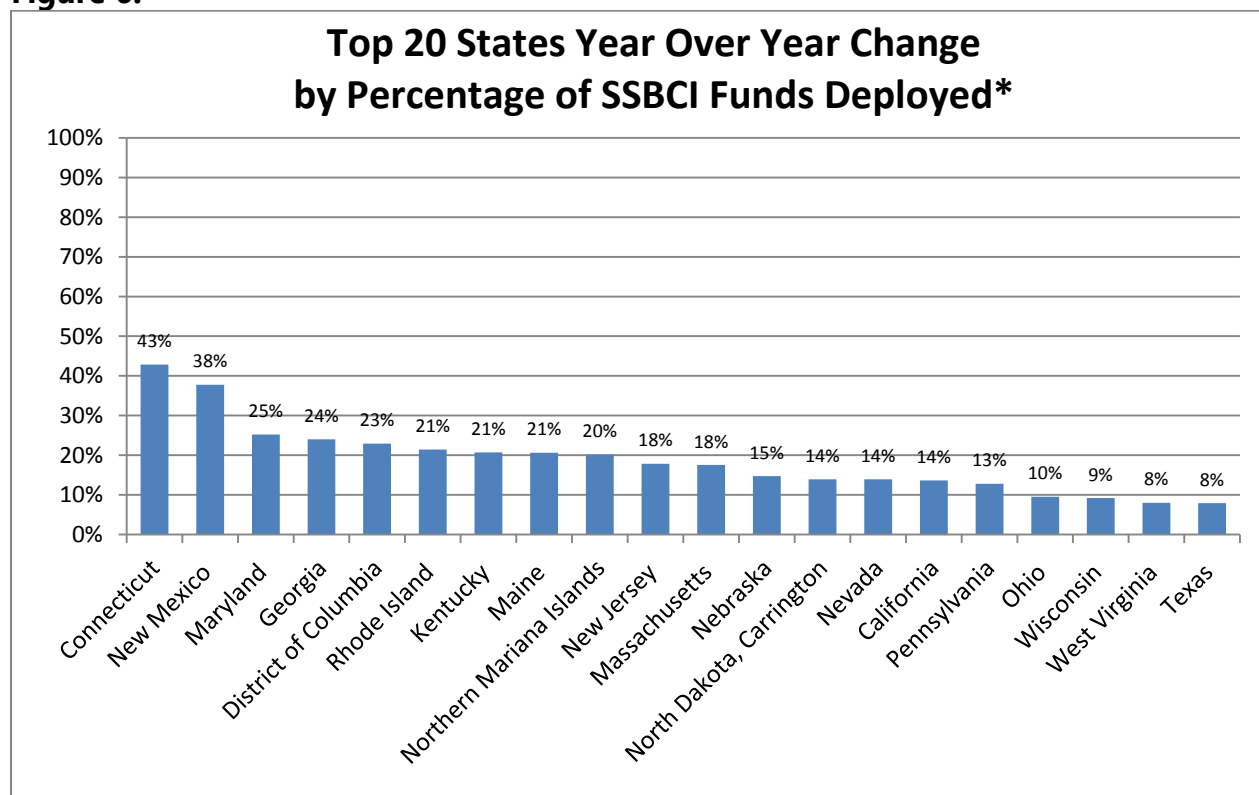


\* For purposes of calculating percent of allocation deployed (expended, obligated or transferred), Treasury does not count any recycled SSBCI funds.

**Figure 5.**

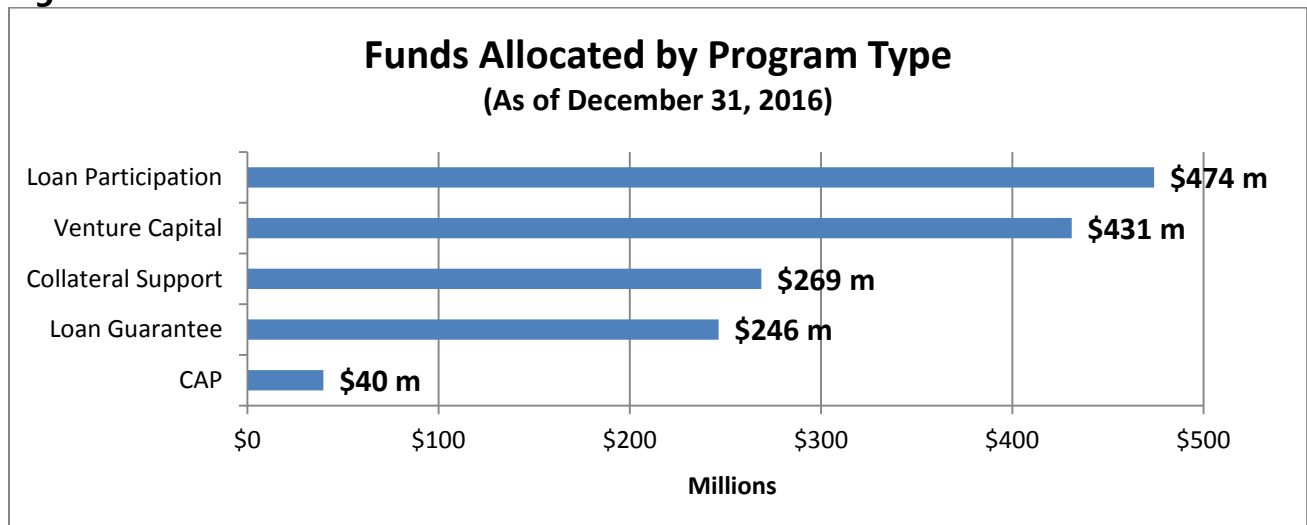


**Figure 6.**

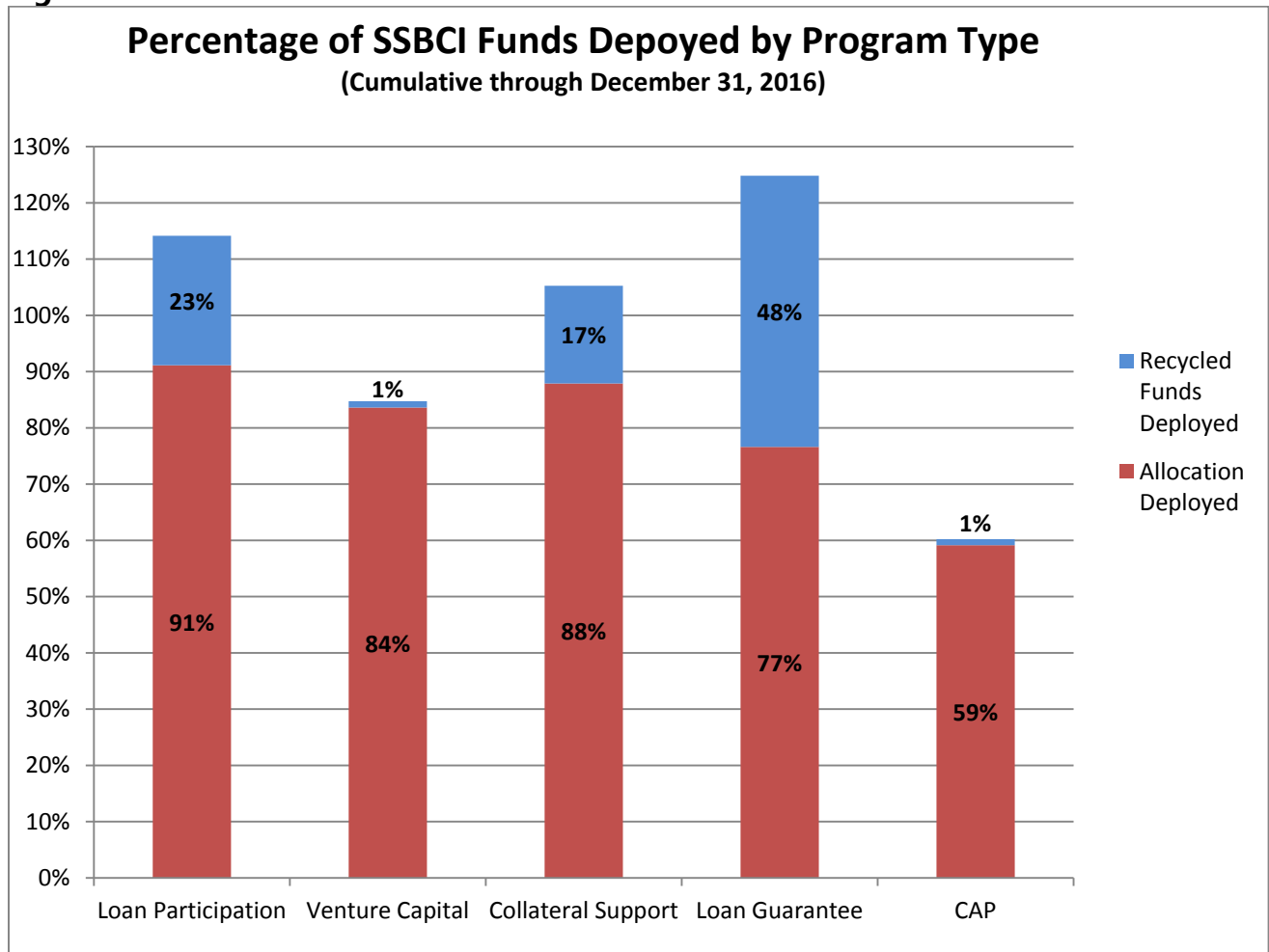


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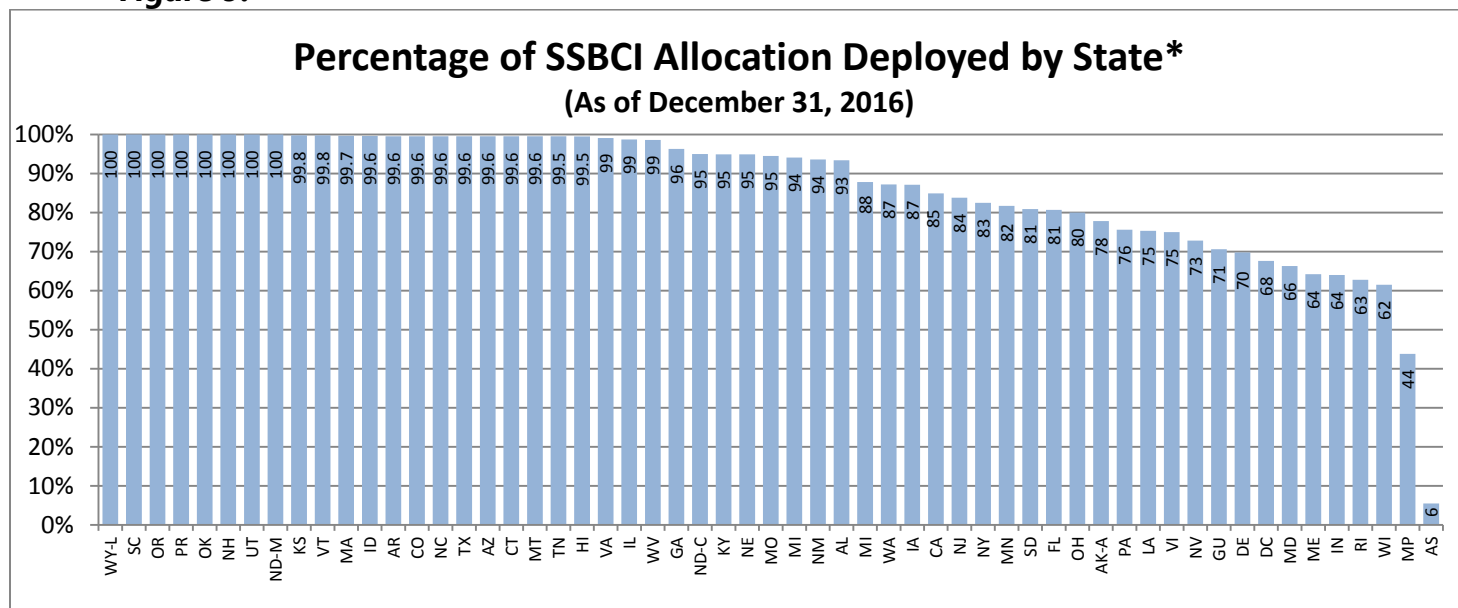
**Figure 7.**



**Figure 8.**

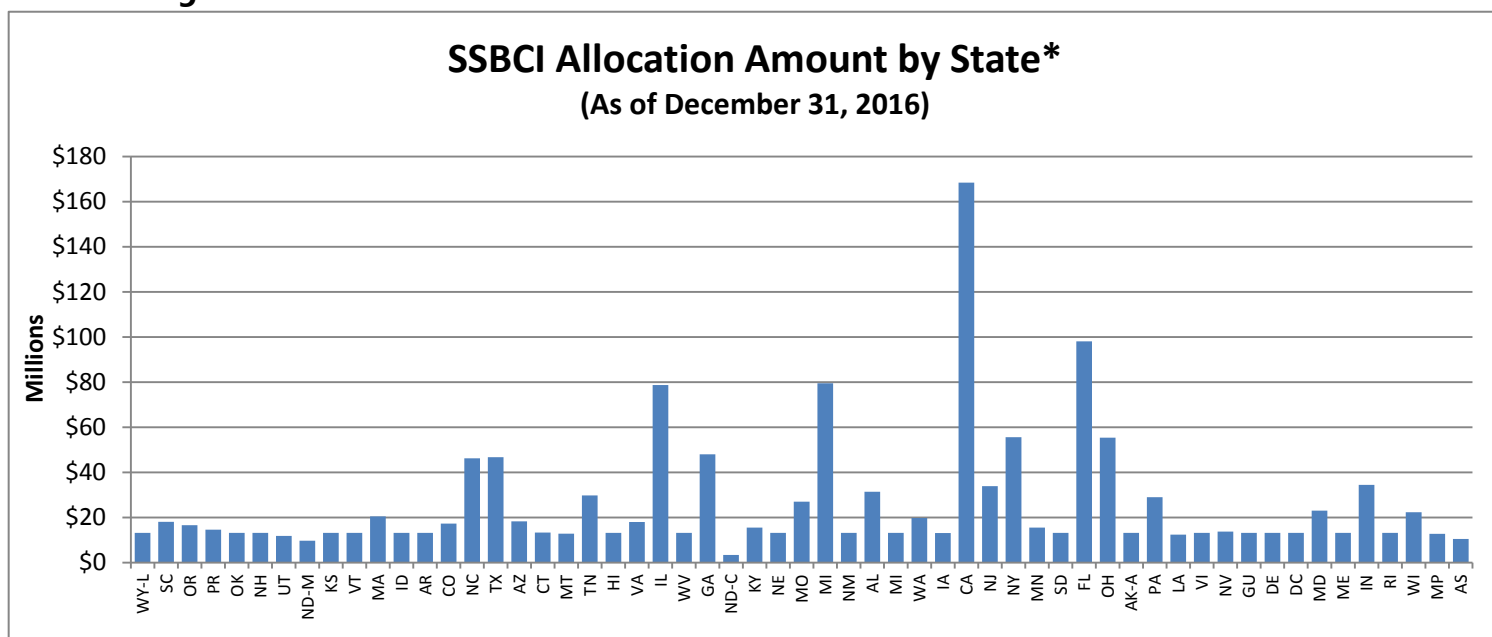


**Figure 9.**



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

**Figure 10.**



\* SSBCI Allocation includes \$5,721,594 in reallocated funds disbursed to 46 Participating States in December 2016.



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

(As of 12/31/2016)

#	State	Agreement Date	Allocated Amount**	Original SSBCI Allocation Deployed	Percent	Recycled Funds Deployed	Total Funds Deployed***
1	South Carolina	7/6/2011	\$18,071,787	\$18,071,787	100.0%	\$8,676,031	\$26,747,818
2	Oregon	8/29/2011	\$16,590,901	\$16,590,901	100.0%	\$820,926	\$17,411,827
3	Puerto Rico	10/6/2011	\$14,605,823	\$14,605,823	100.0%	\$12,010,800	\$26,616,623
4	Oklahoma	7/18/2011	\$13,227,911	\$13,227,911	100.0%	\$0	\$13,227,911
5	Wyoming, Laramie	12/4/2012	\$13,168,350	\$13,168,350	100.0%	\$1,081,336	\$14,249,686
6	New Hampshire	7/18/2011	\$13,168,350	\$13,168,350	100.0%	\$0	\$13,168,350
7	Utah	9/30/2011	\$11,815,036	\$11,815,036	100.0%	\$5,090,257	\$16,905,293
8	North Dakota, Mandan	8/31/2012	\$9,734,641	\$9,734,641	100.0%	\$3,827,772	\$13,562,413
9	Kansas	6/28/2011	\$13,227,911	\$13,200,180	99.8%	\$1,788,123	\$14,988,303
10	Vermont	5/23/2011	\$13,227,911	\$13,198,350	99.8%	\$5,410,634	\$18,608,984
11	Massachusetts	9/13/2011	\$20,514,536	\$20,445,073	99.7%	\$4,507,009	\$24,952,081
12	Idaho	8/29/2011	\$13,195,667	\$13,136,544	99.6%	\$11,283,145	\$24,419,689
13	Montana	7/18/2011	\$12,819,143	\$12,769,511	99.6%	\$0	\$12,769,511
14	Texas	8/15/2011	\$46,764,445	\$46,553,879	99.5%	\$1,699,156	\$48,253,035
15	North Carolina	5/23/2011	\$46,269,657	\$46,061,319	99.5%	\$9,428,341	\$55,489,660
16	Arizona	11/7/2011	\$18,286,556	\$18,204,217	99.5%	\$2,746,455	\$20,950,672
17	Colorado	10/11/2011	\$17,311,437	\$17,233,489	99.5%	\$3,916,802	\$21,150,291
18	Connecticut	7/14/2011	\$13,361,288	\$13,301,126	99.5%	\$0	\$13,301,126
19	Arkansas	10/31/2011	\$13,227,911	\$13,168,350	99.5%	\$2,248,865	\$15,417,215
20	Tennessee	10/4/2011	\$29,806,278	\$29,665,203	99.5%	\$0	\$29,665,203
21	Hawaii	5/27/2011	\$13,227,911	\$13,158,849	99.5%	\$0	\$13,158,849
22	Virginia	8/15/2011	\$18,034,394	\$17,873,938	99.1%	\$4,912,118	\$22,786,056
23	Illinois	7/26/2011	\$78,719,715	\$77,669,399	98.7%	\$9,924,875	\$87,594,274
24	West Virginia	11/18/2011	\$13,227,911	\$13,036,410	98.6%	\$1,667,710	\$14,704,120
25	Georgia	12/13/2011	\$48,024,748	\$46,258,341	96.3%	\$4,521,550	\$50,779,891
26	North Dakota,	9/28/2012	\$3,433,709	\$3,264,524	95.1%	\$300,000	\$3,564,524
27	Kentucky	7/28/2011	\$15,558,051	\$14,769,258	94.9%	\$0	\$14,769,258
28	Nebraska	10/4/2011	\$13,168,350	\$12,491,498	94.9%	\$1,803,786	\$14,295,284
29	Missouri	5/23/2011	\$27,052,101	\$25,561,999	94.5%	\$784,101	\$26,346,100
30	Michigan	7/6/2011	\$79,515,777	\$74,845,710	94.1%	\$28,211,491	\$103,057,201
31	New Mexico	10/11/2011	\$13,227,911	\$12,380,460	93.6%	\$1,813,962	\$14,194,422
32	Alabama	8/24/2011	\$31,443,076	\$29,356,118	93.4%	\$83,774,965	\$113,131,083
33	Mississippi	8/24/2011	\$13,227,911	\$11,611,426	87.8%	\$67,750	\$11,679,176
34	Washington	10/31/2011	\$19,811,721	\$17,269,143	87.2%	\$1,485,000	\$18,754,143
35	Iowa	8/30/2011	\$13,123,161	\$11,431,961	87.1%	\$0	\$11,431,961
36	California	5/19/2011	\$168,399,074	\$143,032,590	84.9%	\$10,810,455	\$153,843,045
37	New Jersey	9/22/2011	\$33,895,151	\$28,414,526	83.8%	\$575,243	\$28,989,769
38	New York	9/26/2011	\$55,601,892	\$45,851,624	82.5%	\$201,715	\$46,053,339
39	Minnesota	9/30/2011	\$15,533,123	\$12,694,738	81.7%	\$581,443	\$13,276,181
40	South Dakota	9/22/2011	\$13,227,911	\$10,704,682	80.9%	\$0	\$10,704,682
41	Florida	8/24/2011	\$98,104,081	\$79,185,145	80.7%	\$51,224,438	\$130,409,583
42	Ohio	9/2/2011	\$55,358,150	\$44,545,453	80.5%	\$0	\$44,545,453
43	Alaska, Anchorage	1/26/2012	\$13,168,350	\$10,249,081	77.8%	\$0	\$10,249,081
44	Pennsylvania	10/6/2011	\$29,017,428	\$21,926,750	75.6%	\$923,148	\$22,849,898
45	Louisiana	8/24/2011	\$12,414,995	\$9,349,479	75.3%	\$1,770,299	\$11,119,777
46	U.S. Virgin Islands	10/4/2011	\$13,227,911	\$9,919,657	75.0%	\$0	\$9,919,657
47	Nevada	9/30/2011	\$13,793,599	\$10,038,513	72.8%	\$0	\$10,038,513
48	Guam	9/30/2011	\$13,227,911	\$9,337,278	70.6%	\$0	\$9,337,278
49	Delaware	7/18/2011	\$13,227,911	\$9,234,413	69.8%	\$0	\$9,234,413
50	District of Columbia	8/15/2011	\$13,227,911	\$8,940,700	67.6%	\$0	\$8,940,700
51	Maryland	6/2/2011	\$23,025,709	\$15,262,644	66.3%	\$0	\$15,262,644
52	Maine	9/6/2011	\$13,227,911	\$8,488,030	64.2%	\$0	\$8,488,030
53	Indiana	5/27/2011	\$34,494,392	\$22,079,153	64.0%	\$0	\$22,079,153
54	Rhode Island	9/6/2011	\$13,168,350	\$8,263,147	62.8%	\$0	\$8,263,147
55	Wisconsin	9/22/2011	\$22,363,554	\$13,762,737	61.5%	\$0	\$13,762,737
56	Northern Mariana	3/14/2012	\$12,733,082	\$5,577,867	43.8%	\$0	\$5,577,867
57	American Samoa	2/14/2012	\$10,500,000	\$576,178	5.5%	\$0	\$576,178
<b>TOTAL</b>			<b>\$1,460,130,382</b>	<b>\$1,275,733,456</b>	<b>87.4%</b>	<b>\$279,889,701</b>	<b>\$1,555,623,157</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 12/31/2016)

#	State	Agreement Date	Allocated Amount**	Original SSBCI Allocation Deployed	Percent	Recycled Funds Deployed	Total Funds Deployed***
1	California	5/19/2011	\$168,399,074	\$143,032,590	84.9%	\$10,810,455	\$153,843,045
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25	Oregon	8/29/2011	\$16,590,901	\$16,590,901	100.0%	\$820,926	\$17,411,827
26	Utah	9/30/2011	\$11,815,036	\$11,815,036	100.0%	\$5,090,257	\$16,905,293
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39	Oklahoma	7/18/2011	\$13,227,911	\$13,227,911	100.0%	\$0	\$13,227,911
40	New Hampshire	7/18/2011	\$13,168,350	\$13,168,350	100.0%	\$0	\$13,168,350
41	Hawaii	5/27/2011	\$13,227,911	\$13,158,849	99.5%	\$0	\$13,158,849
42	Montana	7/18/2011	\$12,819,143	\$12,769,511	99.6%	\$0	\$12,769,511
43	Mississippi	8/24/2011	\$13,227,911	\$11,611,426	87.8%	\$67,750	\$11,679,176
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50	Guam	9/30/2011	\$13,227,911	\$9,337,278	70.6%	\$0	\$9,337,278
51	Delaware	7/18/2011	\$13,227,911	\$9,234,413	69.8%	\$0	\$9,234,413
52	District of Columbia	8/15/2011	\$13,227,911	\$8,940,700	67.6%	\$0	\$8,940,700
53	Maine	9/6/2011	\$13,227,911	\$8,488,030	64.2%	\$0	\$8,488,030
54	Rhode Island	9/6/2011	\$13,168,350	\$8,263,147	62.8%	\$0	\$8,263,147
55	Northern Mariana	3/14/2012	\$12,733,082	\$5,577,867	43.8%	\$0	\$5,577,867
56	North Dakota, Bismarck	9/28/2012	\$3,433,709	\$3,264,524	95.1%	\$300,000	\$3,564,524
57	American Samoa	2/14/2012	\$10,500,000	\$576,178	5.5%	\$0	\$576,178
<b>TOTAL</b>			<b>\$1,460,130,382</b>	<b>\$1,275,733,456</b>	<b>87.4%</b>	<b>\$279,889,701</b>	<b>\$1,555,623,157</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.