

State Small Business Credit Initiative

Program Summary

Dollars in thousands

	FY 2011 Actual		FY 2012 Estimated		FY 2012 Estimated		FY 2012 to FY 2013 % Change	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Budgetary Resources:								
Unobligated balances, Start of year		\$1,500,000		\$235,707		\$25,267		-89.28%
Total Budgetary Resources Available		\$1,500,000		\$235,707		\$25,267		-89.28%
Expenses/Obligations								
SSBCI Program		\$1,258,900		\$204,210				-100.00%
SSBCI Administration	5	\$5,393	12	\$6,230	12	\$6,629	0.00%	6.40%
Total Expenses/Obligations	5	\$1,264,293	12	\$210,440	12	\$6,629	0.00%	-96.85%

Summary and Explanation of Programs

Section 3003 of the Small Business Jobs Act of 2010 authorized and directed the Secretary of Treasury to establish a seven-year State Small Business Credit Initiative (SSBCI), which was funded with \$1.5 billion to support state programs that support lending to small businesses and small manufacturers. The SSBCI is expected to support new small business lending through local programs that help entrepreneurs expand their businesses and create new jobs.

Under the SSBCI, states are offered the opportunity to apply for federal funds for programs that partner with private lenders to extend greater credit to small businesses. States are required to demonstrate a reasonable expectation that a minimum of \$10 in new private lending will result from every \$1 in federal funding. Accordingly, the \$1.5 billion funding commitment that the federal government will make for this program is expected to result in \$15 billion in new private lending and investment to small businesses, aligning with Treasury's strategic goal to enhance U.S. competitiveness and promote international financial stability and balanced global growth.

SSBCI administrative expenses also support the Office of Inspector General's efforts to provide audit and investigative oversight of SSBCI activity.

Legislative Proposals

SSBCI has no legislative proposals for FY 2013.

Description of Performance

In FY 2011, Treasury established the SSBCI office, accepted applications from over 58 eligible entities by the statutory due dates, and approved over \$435 million for disbursement. SSBCI estimates disbursing cumulative totals of \$1.219 billion by end of FY 2012 and \$1.463 by the end of FY 2013, as states draw down their approved allocations under the program. Through November 30, 2011, Treasury has already obligated nearly \$1.4 billion of the \$1.46 billion apportioned for funding to states. As a result, SSBCI anticipates that states will use these funds to support loans and investments made through approved state programs during FY 2012 and FY 2013.

In FY 2012 and FY 2013, Treasury will continue monitoring the performance of state programs, tracking loans and investments

made with SSBCI funds, and disbursing the remaining obligated funds to states once funds have been deployed to eligible small businesses. SSBCI plans to disposition 99 percent of all state requests for subsequent disbursements within 90 calendar days of

receipt. Treasury will also be providing ongoing technical supports to states as state programs evolve. Finally, Treasury will be promoting national best practices among states on such elements as program design, operations, and marketing.