sbf participants are accelerating the recovery...

small business lending fund

The **Small Business Lending Fund (SBLF)** has provided capital to 332 qualified community banks and community development loan funds (CDLFs). It has helped unlock access to credit for small businesses looking to hire, invest, and expand in their local communities.

So far, current SBLF participants have increased small business lending by about $12.5 billion over the baseline since the depths of the recession in 2009. That represents an estimated 56,900 additional small business loans.[1]

Small businesses in a wide array of industries have benefited from the increased lending by program participants, with companies in the service and agriculture sectors receiving the largest estimated percentage of new loans. Every region of the country has benefited, with participants in the Southeast, Southwest, and Midwest reporting the largest estimated increases in number of small business loans.

The SBLF program invested capital in community banks at an initial cost of financing of up to 5 percent. For bank participants that increase their lending, the cost of the SBLF funding is reduced – all the way down to 1 percent for banks that increase their lending by 10 percent or more. That is a strong incentive for banks to help keep credit flowing.

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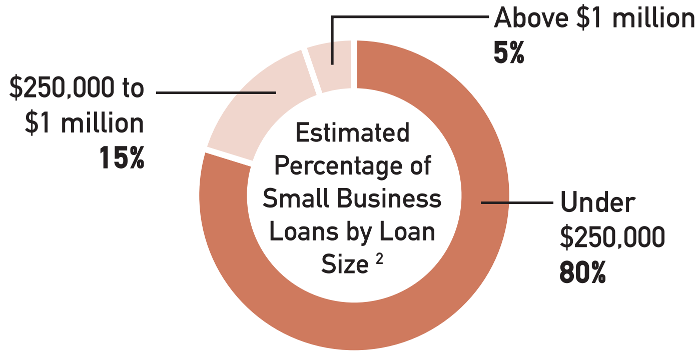
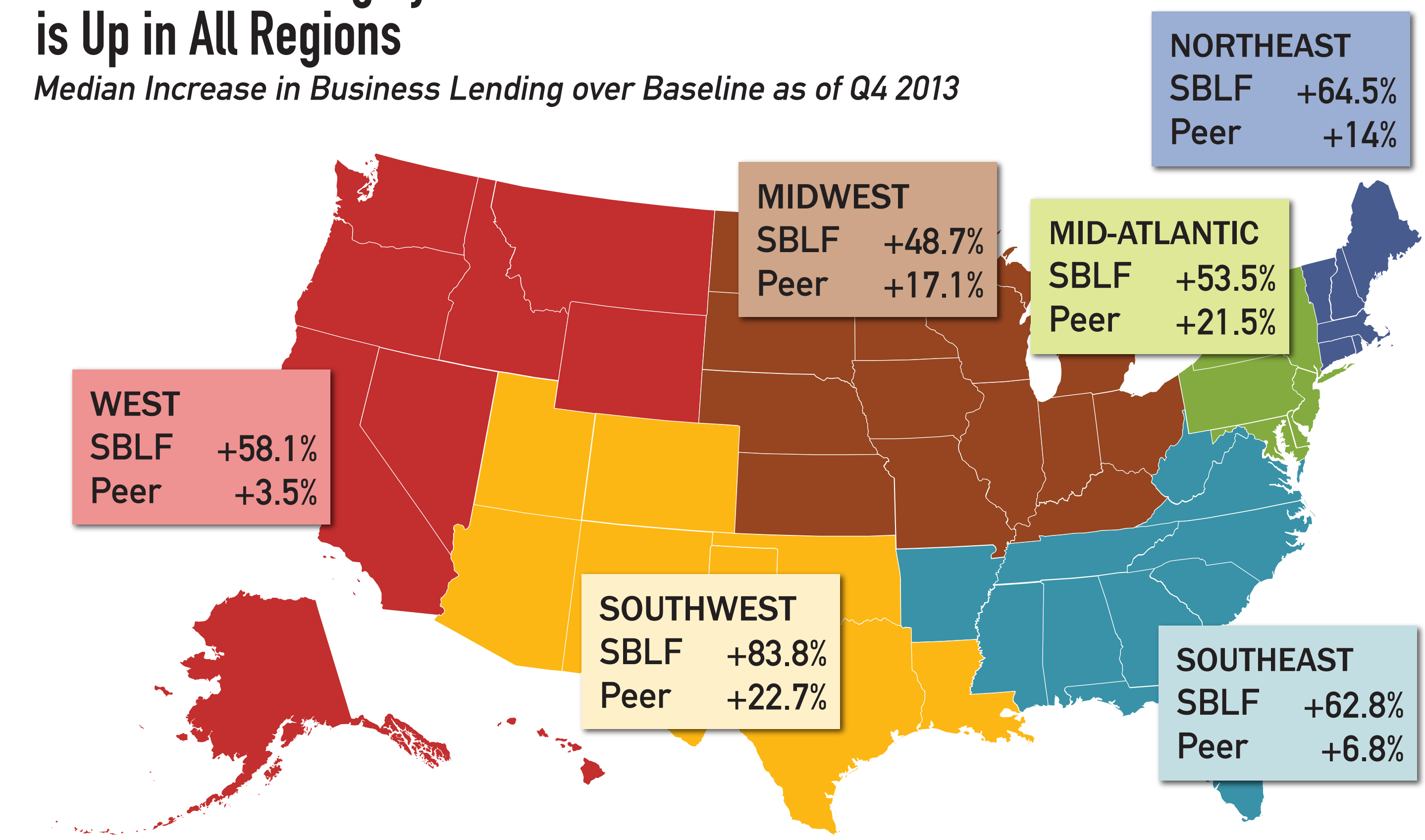


Business Lending by SBLF Banks is Up in All Regions

Median Increase in Business Lending over Baseline as of Q4 2013

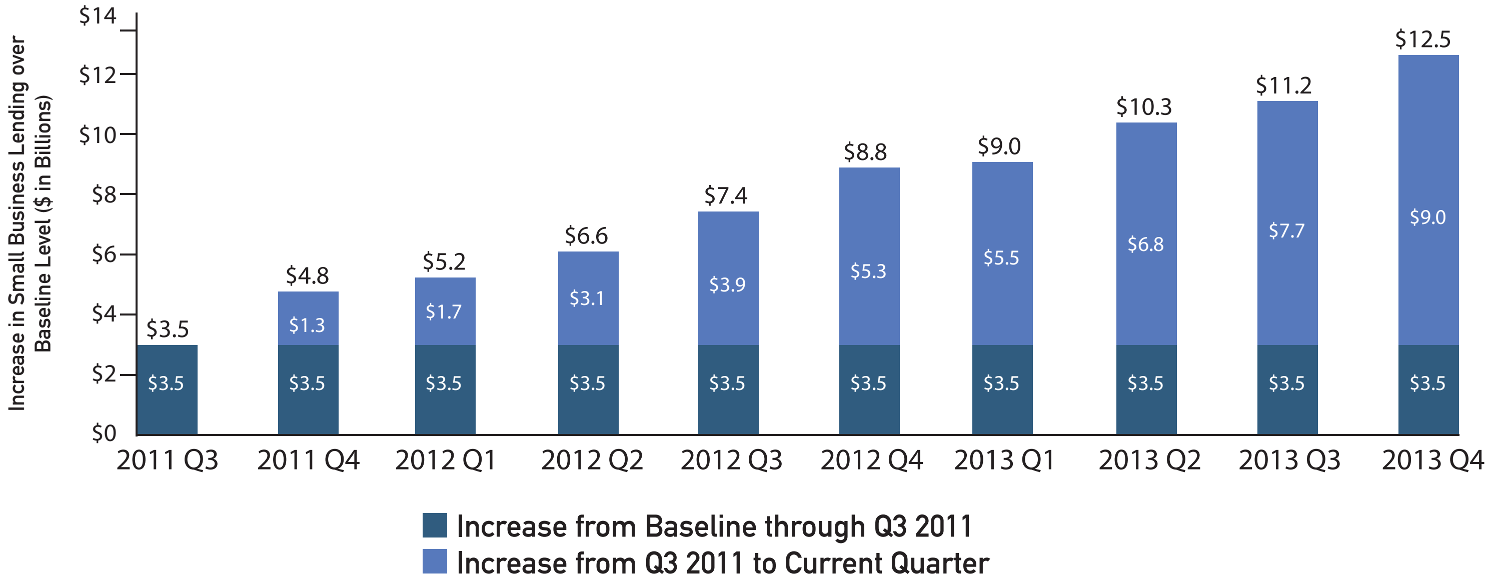


...by increasing lending to small businesses.

SBLF Participants Have Increased Their Small Business Lending by $12.5 Billion

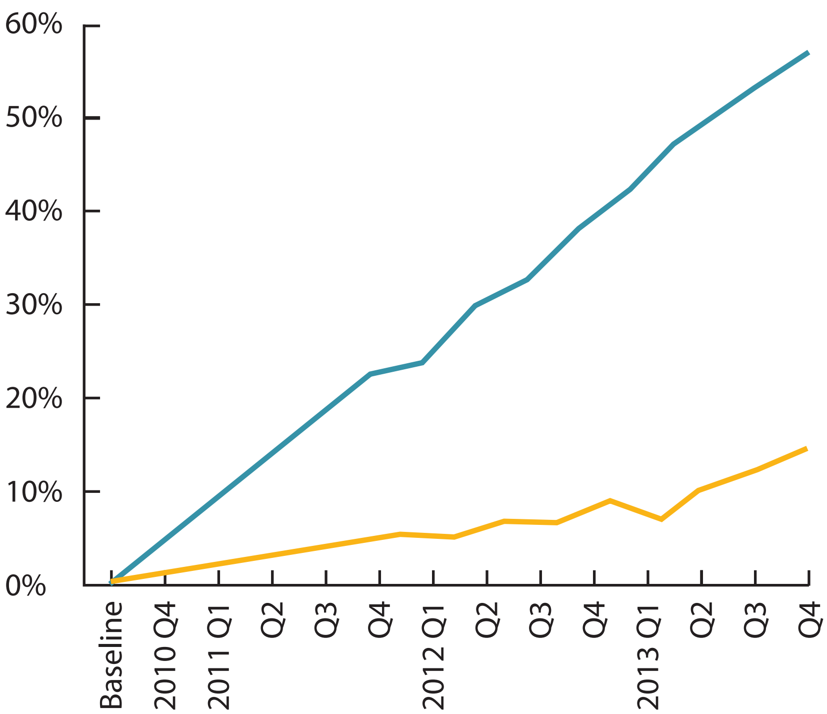
Increase in Small Business Lending over Baseline by SBLF Participants as of Q4 2013 [3]

Treasury's investments in SBLF participants were made in Q2 and Q3 2011. Please see Appendix B in the April 2014 Lending Growth Report for additional information on changes in small business lending following the initial SBLF investments.



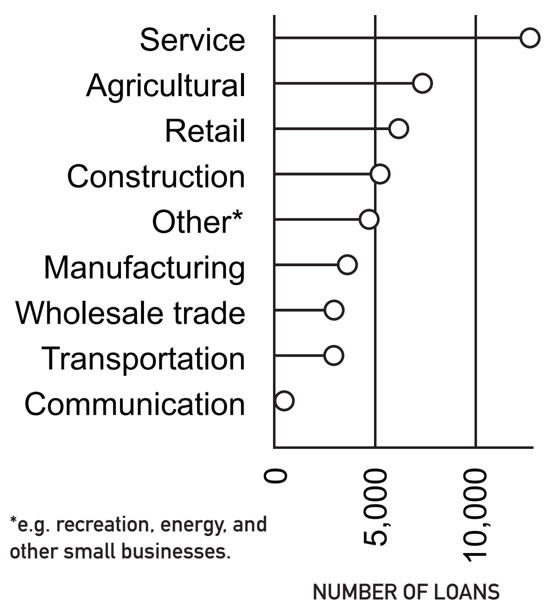
For SBLF Banks, Business Lending is Up 59%

Median Increase in Business Lending over Baseline by SBLF Bank Participants and Peers [4]



Helping small businesses across many industries

Estimated Number of Additional Loans to Small Businesses by Industry as of Q4 2013 [5]



*e.g. recreation, energy, and other small businesses.

notes

1 The baseline period is defined as the average lending over the four quarters ended June 30, 2010. The number of additional small business loans is calculated by dividing each participant's change in small business lending as of June 30, 2012 by the average loan size the participant reported on its SBLF lending survey for the year ended December 31, 2013 and aggregating the resulting loan counts. The resulting aggregate is rounded.

2 Estimated percentages based on responses by program participants to the SBLF lending survey for the year ended June 30, 2012.

3 For institution-specific reporting on changes in small business lending as of December 31, 2013, see the SBLF April 2014 Lending Growth Report (available at http://www.treasury.gov/sblf).

4 The term "peer banks" is defined as the representative group of approximately 500 banks that were selected to match the specific size, geography, and financial condition of SBLF banks. The business lending information is based on a straight-line estimate from the baseline to the quarter ended December 31, 2011 and reported lending for subsequent quarters. For additional information on the methodology used in this analysis, see the SBLF April 2014 Lending Growth Report (available at http://www.treasury.gov/sblf).

5 To calculate the number of additional small business loans by industry sector, Treasury multiplied the participant's change in small business lending as of December 31, 2013 by the percentage of lending to each sector the participant reported on its SBLF lending survey for the year ended June 30, 2012. For each participant, the loan amounts for each industry were divided by the average loan size reported in the participant's SBLF lending survey and the resulting loan counts were aggregated across industry sectors. All estimates are rounded.