

**FAQ Effective Date**

<b>Topic</b>	<b>Number</b>		<b>Effective Date</b>
General	1	What is the State Small Business Credit Initiative (SSBCI)?	FAQ doc 4/25/2012
General	2	How long will the SSBCI operate??	FAQ doc 4/25/2012
General	3	How much SSBCI funding is available to my state, territory, or eligible municipality?	FAQ doc 4/25/2012
General	4	Can states, territories, and eligible municipalities work together to standardize their program rules for CAPs?	FAQ doc 4/25/2012
General	5	May states, territories, or eligible municipalities contract for the administration of their CAP or OCSP?	FAQ doc 4/25/2012
General	6	Are funds transferred under SSBCI considered a grant or other type of federal assistance?	FAQ doc 4/25/2012
General	7	How will Treasury exercise its discretionary authority to terminate the availability of funds that have not been disbursed to a Participating State within two years of the date of the Participating State's Allocation Agreement?	posted 7/15/2013
Application Related Questions	1	Who is eligible to apply for funds?	FAQ doc 4/25/2012
	2	Under what conditions may a municipality apply for funding?	FAQ doc 4/25/2012
	3	What are the eligibility criteria for programs under the SSBCI?	FAQ doc 4/25/2012
	4	What is the process for applying for funds?	FAQ doc 4/25/2012
	5	Must an applicant have an existing SSBCI-eligible program in order to be eligible to apply?	FAQ doc 4/25/2012
	6	Can state, territory, municipal, and private funds be used in combination with SSBCI funds to fund CAP reserve funds?	FAQ doc 4/25/2012
	7	How can an Applicant use public funds in an OCSP?	FAQ doc 4/25/2012
	8	Question 1E of the Application asks for documents showing that all legal actions pursuant to applicable law have been taken that are necessary to enable the designee to implement the Applicant's proposed program(s). What should we include in our response?	FAQ doc 4/25/2012
	9	The Application requires a designation letter. What should it say?	FAQ doc 4/25/2012
	10	The Application includes standard non-construction assurances in SF-424B. Who must make these assurances?	FAQ doc 4/25/2012

	11	How should an applicant document its plans to use SSBCI funds to provide access to capital for small businesses in low- and moderate-income, minority, and other underserved communities, including women- and minority-owned small businesses?	FAQ doc 4/25/2012
	12	How can applicants demonstrate that they will achieve the 10:1 leverage ratio by the end of the allocation period?	memo dated 11/18/2013
	13	When calculating the 10:1 leverage expectation for private financing, may a participating state, territory or municipality count SBA-guaranteed loans or other financing that is credit-enhanced by federal, state or local incentives?	FAQ doc 4/25/2012
Post-Application / Review Related Questions	1	What is the likelihood of an application being approved?	FAQ doc 4/25/2012
	2	Once a state, territory, or municipality receives an Allocation Agreement, how long does it take to receive the SSBCI funds?	FAQ doc 4/25/2012
	3	How does a Participating State make a request for its second or third disbursement of Allocated Funds?	FAQ doc 4/25/2012
	4	Does Treasury have any guidance on how a Participating State can determine whether it has expended, transferred or obligated SSBCI funds for the purposes of making a request for a subsequent disbursement of SSBCI funds?	FAQ doc 4/25/2012
	5	Section 4.10(b) of the Allocation Agreement indicates that the Participating State must notify Treasury in writing of, "any material adverse change in the condition, financial or otherwise, or operations of the Participating State." What does this include?	FAQ doc 4/25/2012 updated 8/6/2015
	6	Our State agency designated for implementing the approved State program would like to use a contractor or an independent State authority to administer all or part of the approved State program. Do we need to inform Treasury?	FAQ doc 4/25/2012
	7	What kind of administration of all or part of an approved State program requires an amendment to our Allocation Agreement?	FAQ doc 4/25/2012
	8	What are the consequences of an event of default under the Allocation Agreement?	updated 7/15/2013
	9	Section 6.3(a) of the Allocation Agreement specifies that there are additional remedies imposed upon a Participating State, "In the event of a Treasury Inspector General audit finding of either: intentional or reckless misuse of Allocated Funds by the Participating State . . . ." What does "intentional or reckless misuse" mean?	FAQ doc 4/25/2012

	10	If a Participating State has a known, but unresolved non-compliance issue, must the State submit a Certification on Use-of-Allocated Funds with its Quarterly Report, which requires the Authorized State Official to certify that the Participating State is fully compliant with all SSBCI requirements?	posted 7/15/2013
<b>Program Income and Administrative Expense Questions</b>			
	1	What is program income and how is it calculated?	FAQ doc 4/25/2012
	2	How can program income be used?	FAQ doc 4/25/2012
	3	How may I pay for my administrative expenses?	FAQ doc 4/25/2012
<b>Post Award/Compliance Questions</b>			
	1	Are there any recoupment provisions in the Allocation Agreement for the allocated funds?	FAQ doc 4/25/2012
	2	Under what circumstances may a financial institution lender use SSBCI funds to support a new extension of credit for the purpose of satisfying a prior obligation to the same financial institution or an affiliate?	updated 11/27/2013
	3	What are the restrictions on borrowers' use of loan proceeds?	updated 8/5/2013
	4	The SSBCI Policy Guidelines require that at the closing of a loan or investment, that each small business borrower furnish an assurance that includes, among other things, that loan or investment proceeds will not be used for passive real estate investment. What is SSBCI's definition of "passive real estate investment"?	FAQ doc 4/25/2012
	5	Can a small business borrower still deliver the assurance regarding passive real estate investment if the small business leases any portion of a building constructed, acquired or renovated with proceeds from an SSBCI-supported loan or investment?	FAQ doc 4/25/2012
	6	Are there any exceptions to the use of proceeds prohibition on passive real estate investment? What about an entity or trust that does not directly engage in business operations, such as a real estate holding company, receiving an SSBCI-supported loan or investment for the purposes of acquiring real property?	FAQ doc 4/25/2012
	7	How can participating states, territories and municipalities comply with Section 4.4 of the Allocation Agreement regarding restrictions on the use of allocated funds with respect to prohibited loan purposes?	FAQ doc 4/25/2012
	8	May SBA-guaranteed loans or other federally guaranteed or insured loans be enrolled in approved state programs receiving SSBCI funds?	FAQ doc 4/25/2012

	9	How do participating states, territories and municipalities comply with the Sex Offender certifications in Section 4.9 of the Allocation Agreement?	FAQ doc 4/25/2012
	10	What restrictions and reporting requirements apply to SSBCI funds after the end of the Allocation Agreement?	FAQ doc 4/25/2012 updated 4/21/2016
	11	Will I be required to calculate my private leverage ratio for each annual report?	FAQ doc 4/25/2012
	12	How much capital must participating lenders or investors have at risk under a CAP or OCSP?	updated 11/27/2013
	13	Are there prohibitions on combining a transaction supported with SSBCI funds with a loan guaranteed under the U.S. Small Business Administration (SBA) 7(a) or 504 loan programs or the U.S. Department of Agriculture (USDA) Business & Industrial (B&I) loan program?	posted 12/17/2013 effective 2/17/2014
	14	Are there prohibitions on enrolling the same loan or investment in more than one Approved State Program or using more than one Approved State Program to support multiple loans or investments for the same loan purpose?	posted 12/17/2013 effective 2/17/2014
	15	Are there prohibitions on using SSBCI funds in combination with a transaction that generated tax credits, including a New Markets Tax Credit (NMTC) or Historic Preservation Tax Credit transaction?	posted 12/17/2013 effective 2/17/2014
	16	How does the \$20 million restriction on credit support under OCSPs apply in general and when SSBCI may be providing support to one or more transactions within a larger financing?	posted 1/23/2014
	17	Can a participating State cure a noncompliant use of SSBCI funds?	posted 8/22/2014 effective 9/25/2014
	18	May SSBCI funds support a loan or investment to a religious establishment?	posted 10/30/2014
	19	How should a state trace SSBCI funds that are allocated to a privately managed venture capital fund (VC fund) into an eligible business?	posted 12/9/2014
	20	When can private capital be counted towards a state's private leverage ratio?	posted 12/9/2014
	21	What is the deadline for modification requests?	posted 4/28/2015
	22	What is the deadline for disbursement requests?	posted 4/28/2015
	23	How will Treasury determine whether to terminate the availability of un-transferred Allocation Funds for Participating States that have not applied for their second disbursement by June 30, 2015?	posted 4/28/2015
	24	How will SSBCI program rules change in 2017?	posted 2/2/2016 updated 4/21/2016
Municipalities	1	What is a municipality for purposes of the SSBCI?	FAQ doc 6/28/2011

	2	How can my municipality receive special permission from the Secretary to apply for SSBCI funds?	FAQ doc 6/28/2011
	3	If my municipality has permission to apply for SSBCI funding, what must I do in order for my municipality to be considered?	FAQ doc 6/28/2011
	4	Is my municipality required to file a notice of intent to apply?	FAQ doc 6/28/2011
	5	If my municipality satisfies the eligibility criteria and submits a completed application by the established deadline, will we automatically receive funding?	FAQ doc 6/28/2011
	6	How much should my municipality apply for?	FAQ doc 6/28/2011
	7	If my municipality is approved for funding, what will the size of our allocation be?	FAQ doc 6/28/2011
	8	Are there any additional requirements for applications from combinations of municipalities?	FAQ doc 6/28/2011
	9	May Participating Municipalities use SSBCI funds to support loans or investments to eligible small businesses that are located outside the geographic borders of the Participating Municipality?	memo dated 10/13/2011

Last update: 4/27/2016