

STATE SMALL BUSINESS  
**CREDIT INITIATIVE:**

A SUMMARY OF STATES'  
**QUARTERLY REPORTS**

AS OF September 30, 2014



## 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 state programs that support private-sector lending to, and investment in, small businesses and small manufacturers.

In 2011 and 2012, Treasury approved applications on a rolling basis from 47 states, the District of Columbia, and five territories and municipalities in three states (approved entities will be referred to as States).<sup>1</sup> States could divide their allocation among several types of small business support programs: Loan Participation Programs (LPPs), Venture Capital Programs (VCPs), Loan Guarantee Programs (LGPs), Collateral Support Programs (CSPs), and Capital Access Programs (CAPs). States receive SSBCI funding in three equal disbursements which are paid out based on cumulative funds deployed.<sup>2</sup>

- **Disbursements exceed \$1.1 billion:** As of September 30, 2014, \$1,146,367,071 out of \$1,457,591,353 or 79 percent of total allocated funds was disbursed to States. All 57 States received their first disbursement; 48 States received their second disbursement; and 24 States received their third disbursement.
- **SSBCI funds deployed exceed \$1 billion:** Through September 30, 2014, States deployed a total of \$1,003,975,220. Of this total, \$943,285,735 was from original SSBCI allocations and \$60,689,485 was from recycled<sup>3</sup> SSBCI funds. These funds support loans or investments to small businesses, including to intermediaries, and for administrative expenses related to the program.

---

<sup>1</sup> North Dakota and Wyoming did not apply for SSBCI funding, however, consortiums of municipalities in each state are participating. Alaska withdrew its application.

<sup>2</sup> SSBCI funds deployed are those legally “expended, obligated, or transferred.” For clarification, SSBCI funds “expended” are funds used to support loans or investments or for administrative expenses. SSBCI funds “obligated” are funds legally committed to support loans or investments, including obligations to intermediaries, and for administrative expenses. SSBCI funds “transferred” are funds transferred to a contracting entity as reimbursement of expenses incurred or to fund a loan or investment. Funds “expended, obligated, or transferred” includes obligations to venture capital funds not yet linked to specific small business investments.

As of 12/31/13, Venture Capital Programs reported that the amount of funds expended, obligated or transferred was 37% greater (\$89.5 million) than the amount expended to small businesses. The variance was due to SSBCI dollars that were obligated for investment in a small business or to a fund but not yet expended to a specific small business.

<sup>3</sup> When a loan or investment supported with SSBCI funds is repaid, the State may then recycle the funds into another round of loans or investments.

- **Recycled SSBCI funds<sup>4</sup> exceed \$60 million:** Through September 30, 2014, thirteen States reported recycling \$60,689,485 of their program dollars into new SSBCI-supported loans or investments.
- **Funds deployed increased 9 percent in the third quarter of 2014:** Total amount of funds deployed increased from \$923 million to \$1.04 billion.

## SSBCI at Work: Featured Success Stories

### Alabama: Helping Small Manufacturers Grow

When Bear & Son Cutlery Co. won a contract to manufacture hunting and other steel-blade knives for a major outdoor retail brand, it needed to expand its warehouse and shipping capacity. The partners created an affiliated company, M&J Shipping Supplies, to manage shipping and logistics, but because the company and contract were new, they found it difficult to obtain financing.

With a 50% guarantee from the Alabama Department of Economic and Community Affairs (ADECA), Cheaha Bank was able to lend \$182,000 to M&J Shipping Supplies allowing the company to buy and renovate a building, hire 10 new employees, and start fulfilling the contract.



### Indiana: Investing in Successful Start-Ups

Jada Beauty, founded by two women entrepreneurs, was Indiana's first direct investment of SSBCI dollars through Indiana Angel Network Fund ("Angel Fund"). The two founders, both first-time entrepreneurs, needed seed capital to hire technical talent and implement initial market-entry strategies. Angel Fund's initial \$125,000 investment in February 2012, helped raise more than \$300,000 private capital for the company. The investment also enabled the company to build a website capable of supporting online sales. In August 2013, the company was acquired by Sally Beauty Holdings, a publicly-traded company.



The founders and their 10 employees continue to grow the business under the new parent company in Indiana. Private investors and the Angel Fund generated sizable

---

<sup>4</sup> "Recycled Funds" refers to the deployed funds (expended, obligated, or transferred) that came to the State in the form of program income, interest earned or principal repayments and deployed funds that have been previously loaned or invested.

returns within 18 months of investment, making more seed and early-stage capital available to invest in future opportunities like Jada Beauty.

### **Nebraska: Making Plastic Greener**

Laurel BioComposite developed a green alternative to petroleum-based plastic resins using a non-toxic byproduct of corn ethanol production. To move from theory to application, the company needed \$5 million for equipment and temporary working capital but was unable to obtain adequate financing. Working with Security Bank, a community bank located in Laurel, Nebraska (pop. 964), the Nebraska Progress Loan Fund used SSBCI funds to make a \$1 million companion loan that filled the financing gap. Laurel BioComposite now has the opportunity to prove their product and manufacturing technology with new buyers and licensees and bring manufacturing jobs to this rural community.



“We have learned that the process of taking an innovation from inception to commercial production takes the efforts and support of many people. Financial resources such as those provided by the Nebraska SSBCI are critically important...” Tim Bearnes, CEO, Laurel BioComposite.

### **New Mexico: Helping Non-Profits Serve the Community**

In the city of Albuquerque, where over 17 percent of the population lives in poverty,<sup>5</sup> there is a critical need for affordable housing. The Greater Albuquerque Habitat for Humanity (GAHH) wanted to move to a more prominent location to increase visibility throughout the community and expand operations. GAHH sought financing, but did not meet the bank’s loan-to-value requirements.

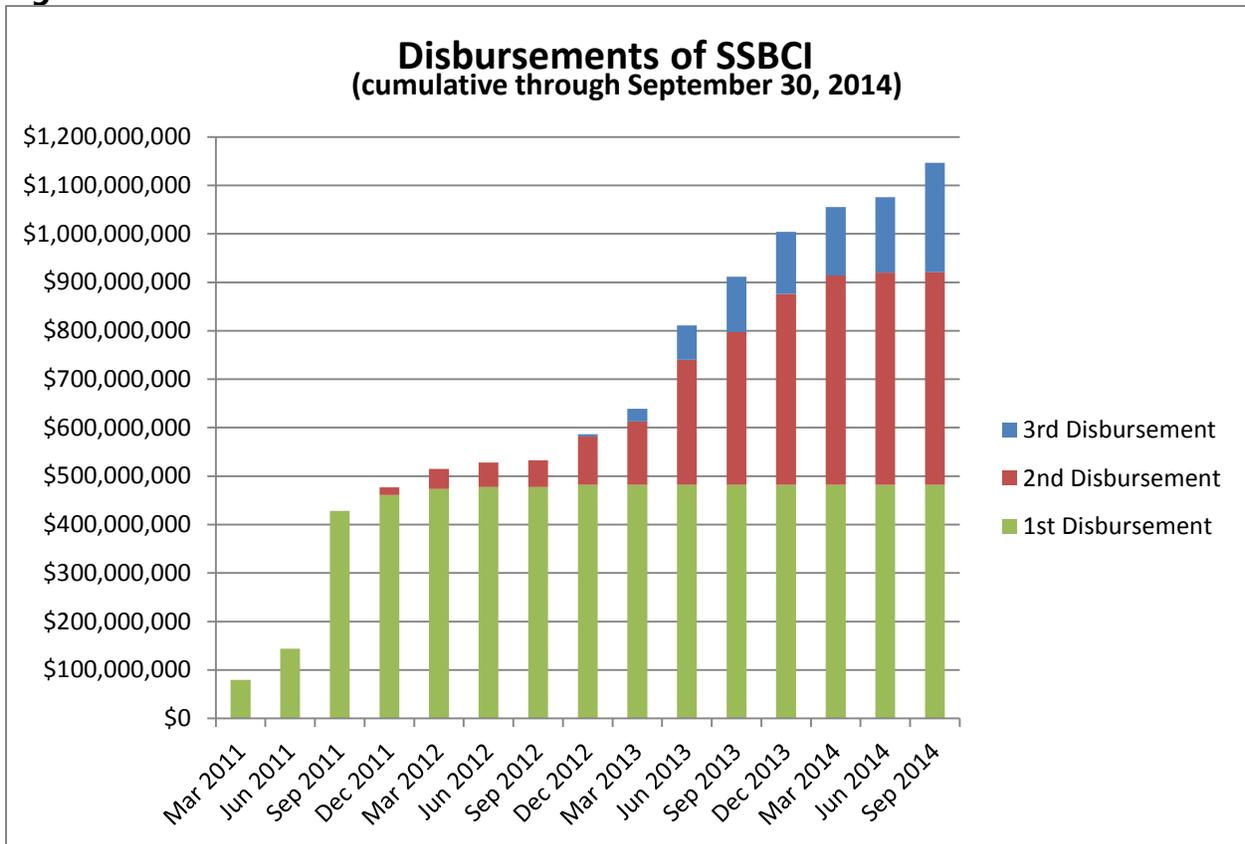


Using SSBCI funds, New Mexico Finance Authority (NMFA) provided a \$241,000 subordinate loan participation enabling Wells Fargo Bank to extend a \$1.6 million loan to purchase and renovate the new GAHH headquarters and Habitat Restore.

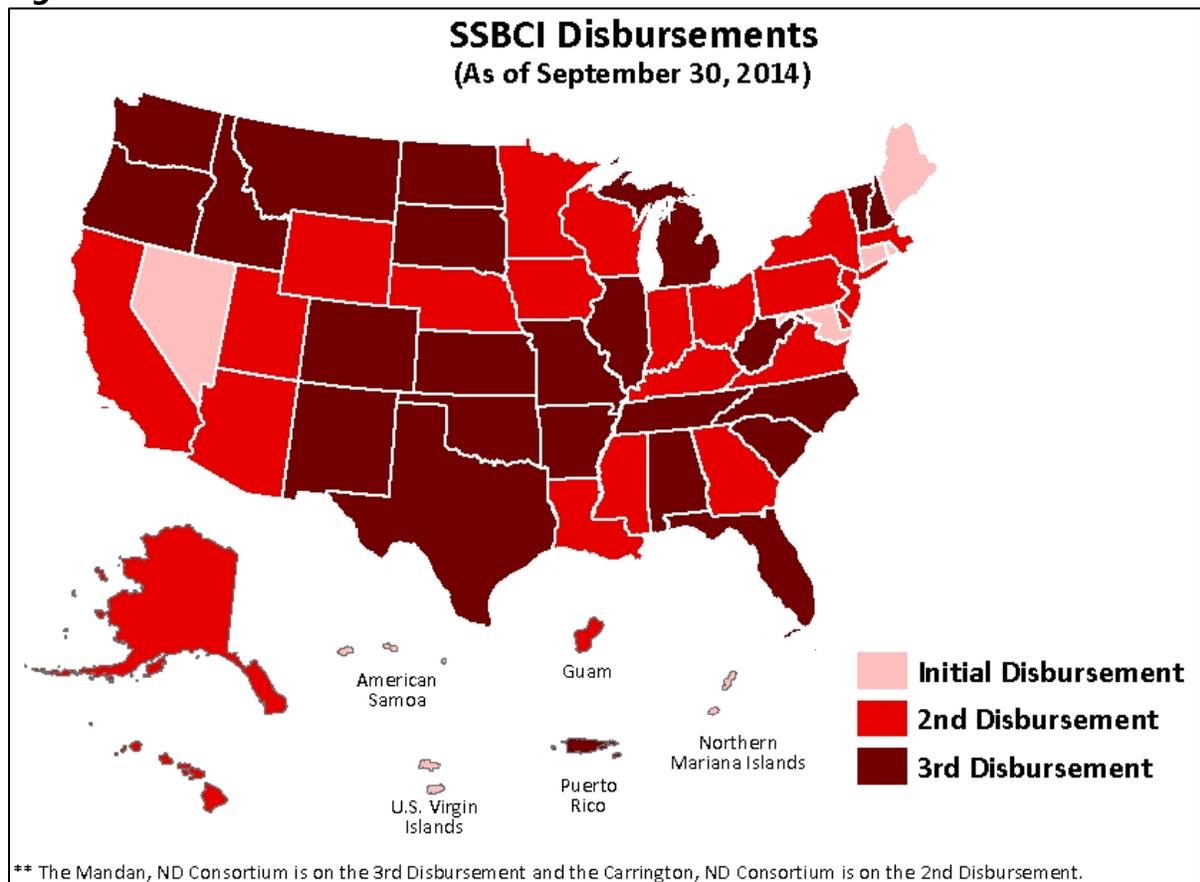
---

<sup>5</sup> United States Census Bureau, “State and County Quick Facts,” Available at: <http://quickfacts.census.gov/qfd/states/35/3502000.html>. Accessed on 4 December, 2014.

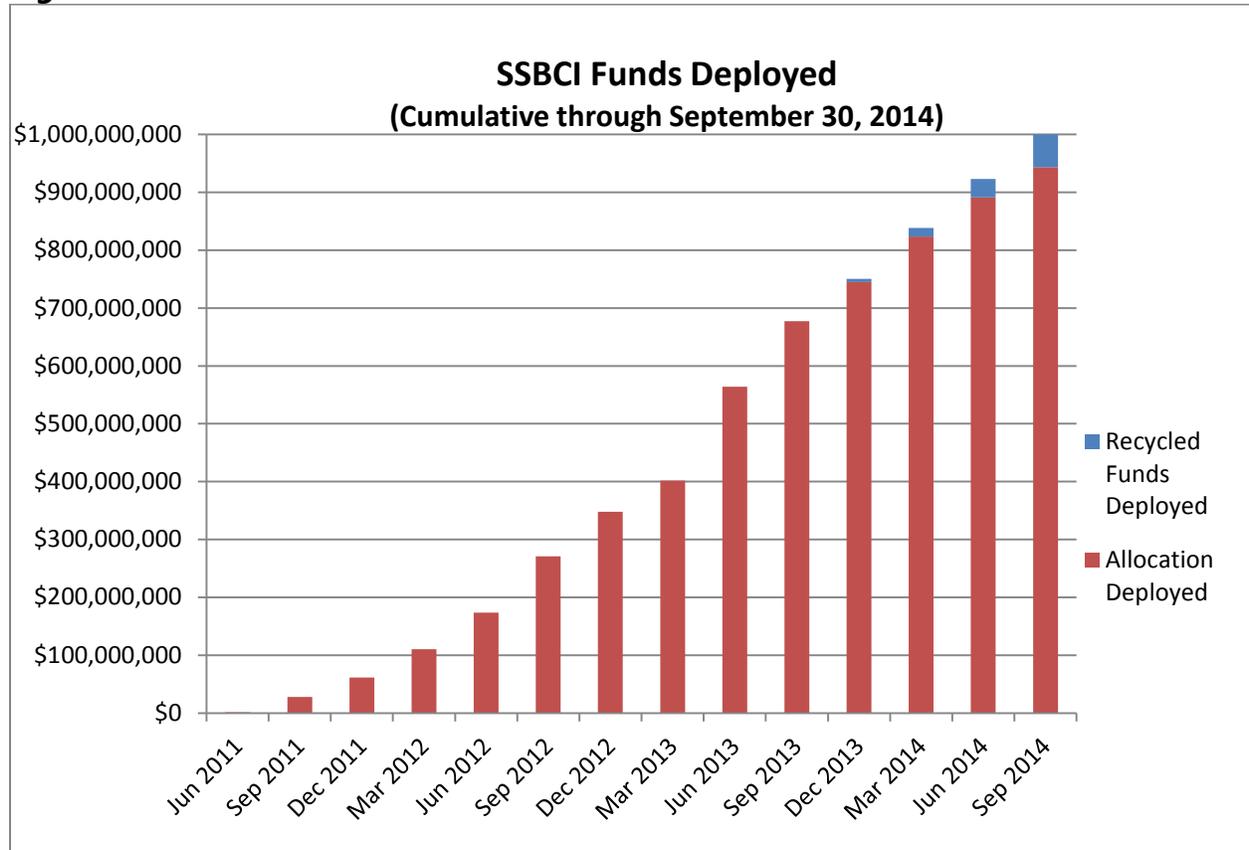
**Figure 1.**



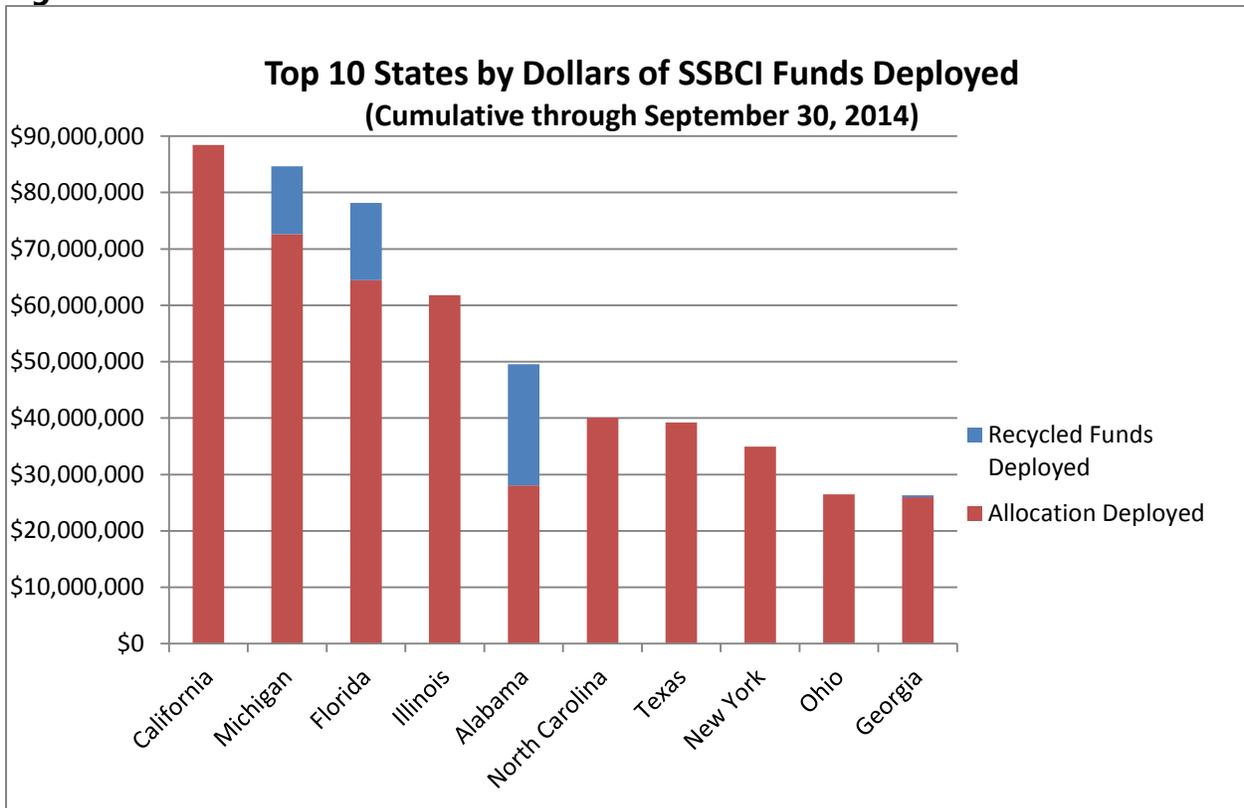
**Figure 2.**



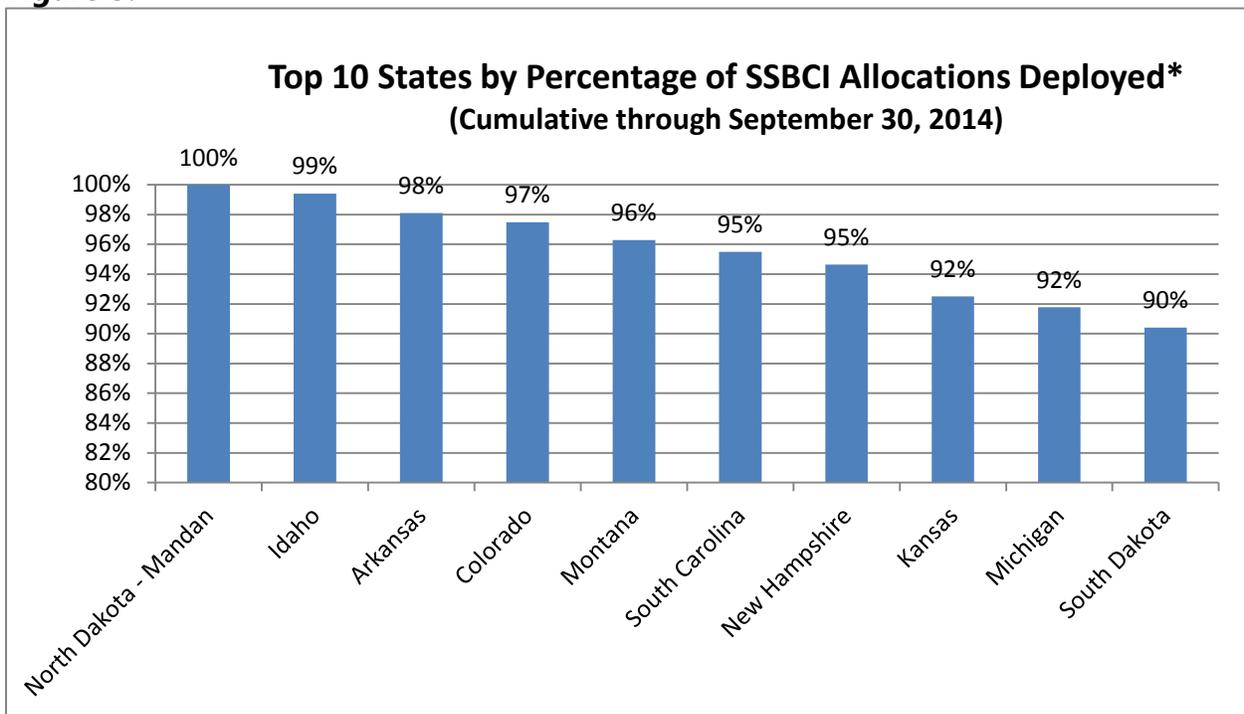
**Figure 3.**



**Figure 4.**

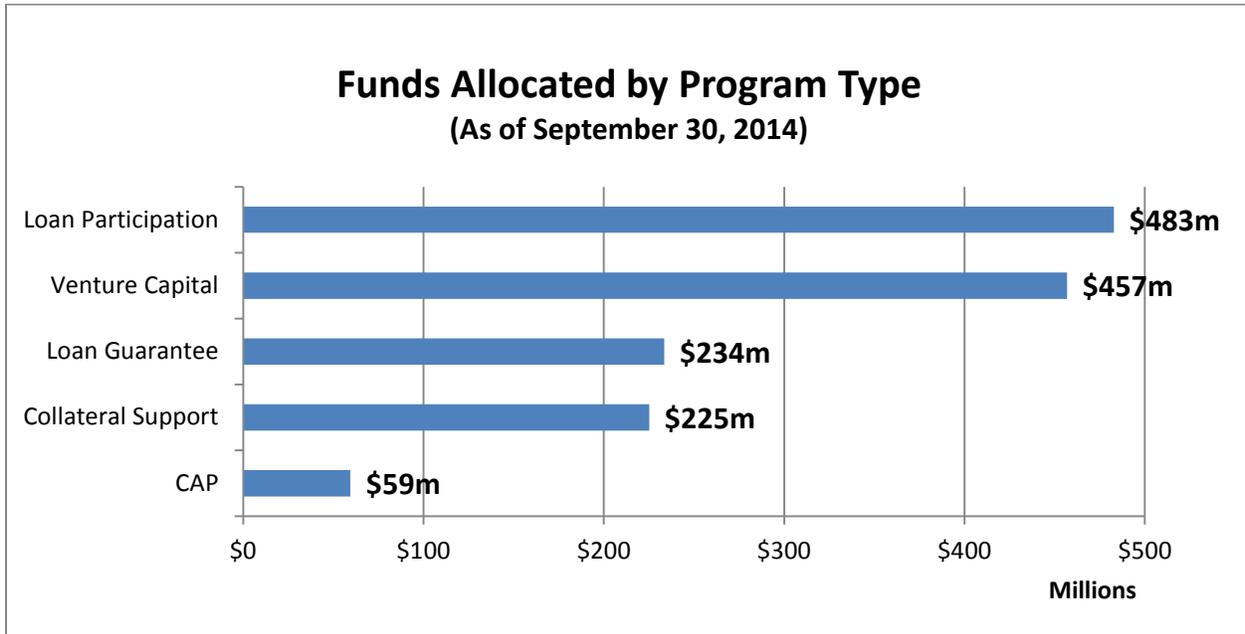


**Figure 5.**

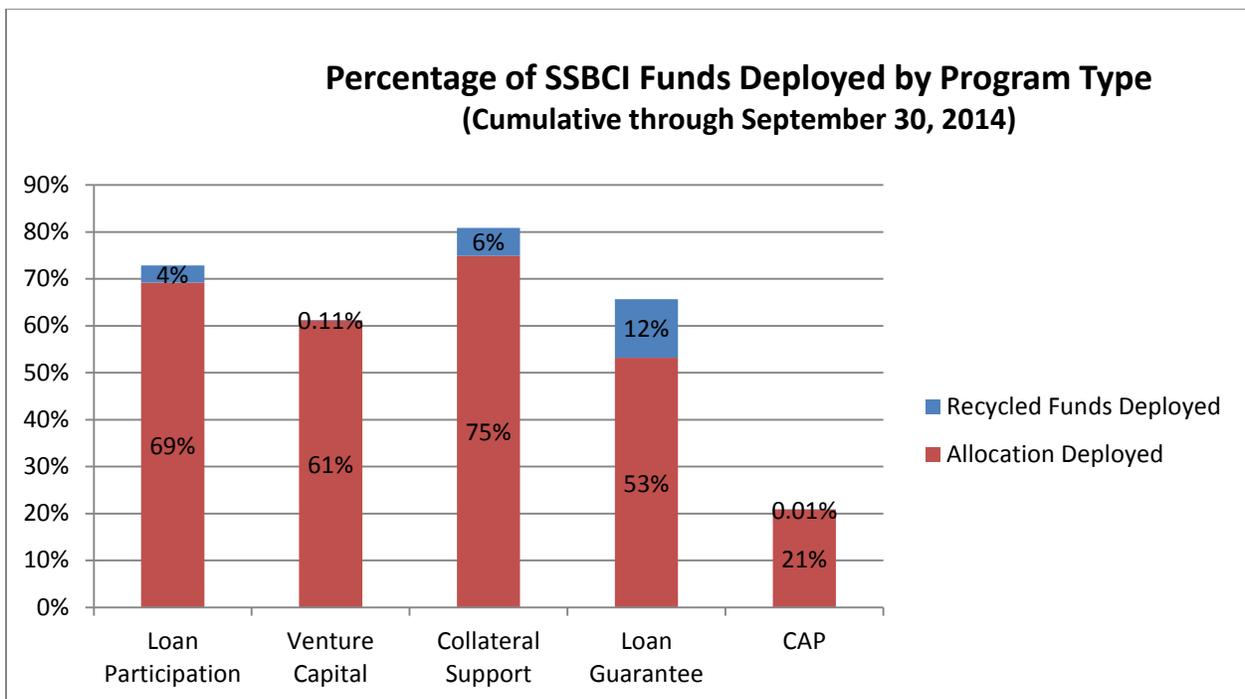


\* For purposes of calculating percent of allocation deployed (expended, obligated or transferred), Treasury does not count any recycled SSBCI funds.

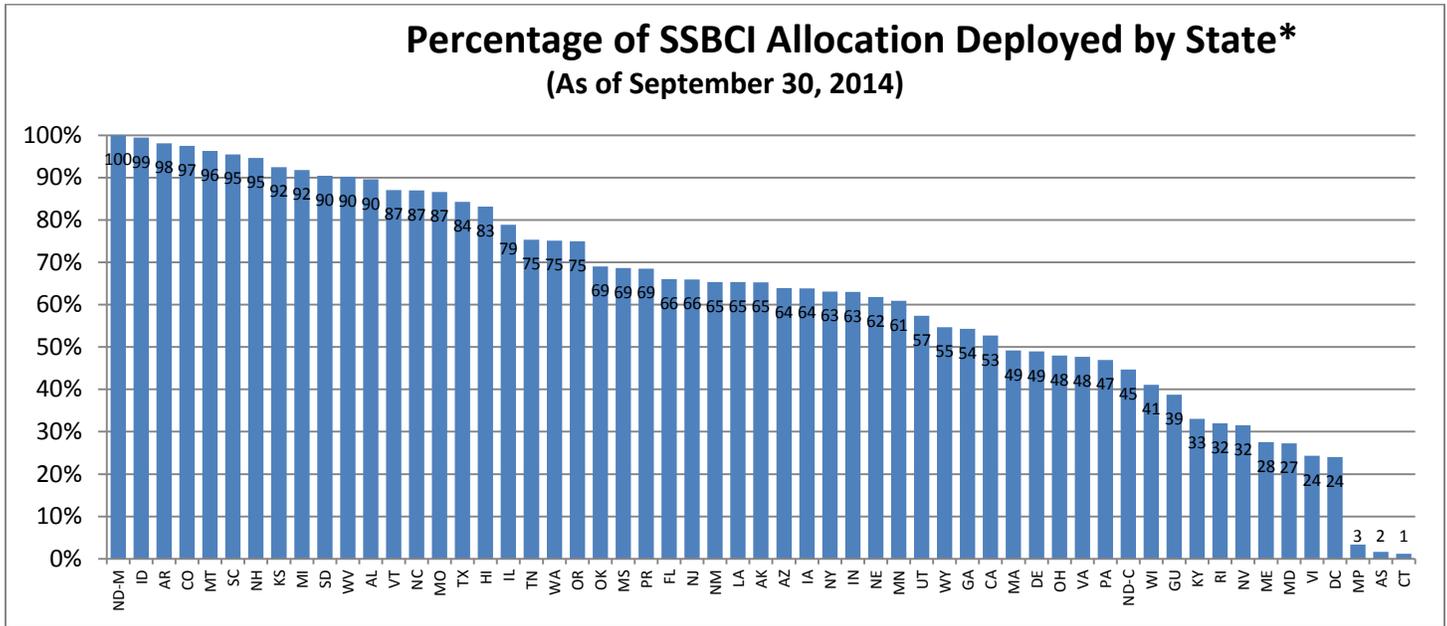
**Figure 6.**



**Figure 7.**

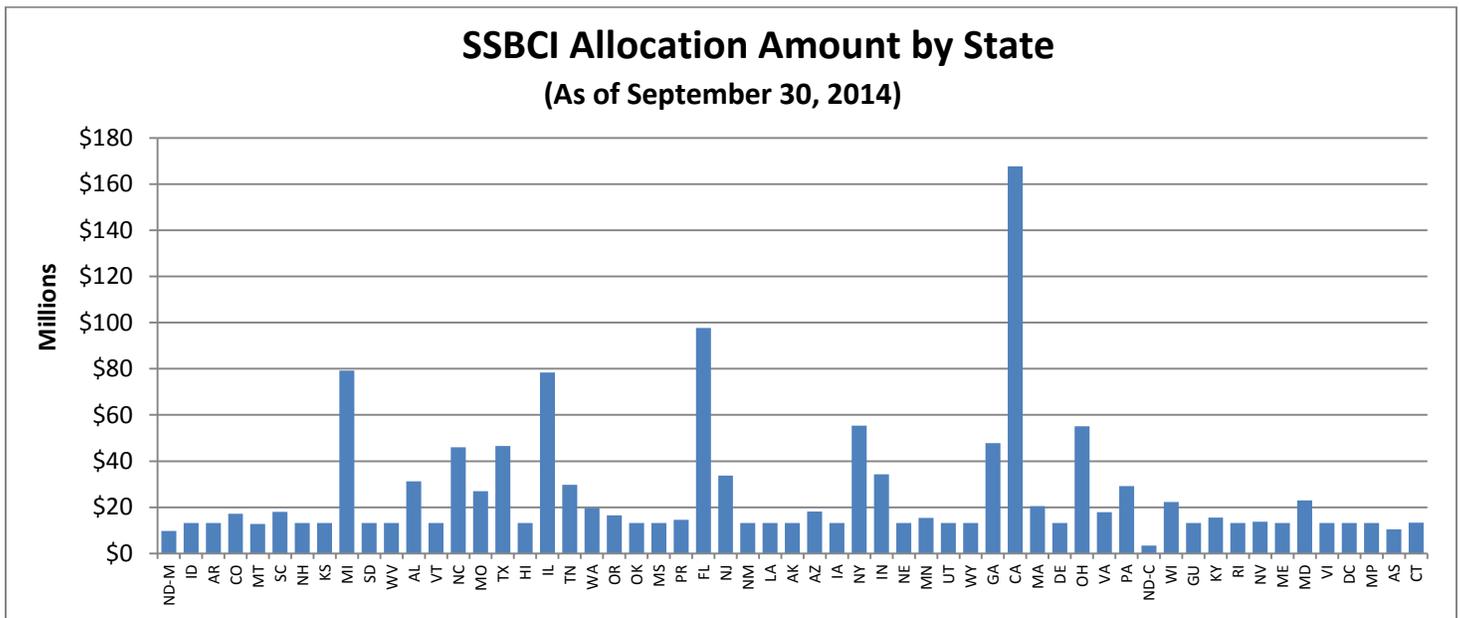


**Figure 8.**



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

**Figure 9.**



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

**(As of 9/30/2014)**

#	State	Agreement Date	Allocated Amount**	Original SSBCI Allocation Deployed	Percent	Recycled Funds Deployed	Total Funds Deployed***
1	North Dakota, Mandan	8/31/2012	\$9,734,641	\$9,734,641	100%	\$664,578	\$10,399,219
2	Idaho	8/29/2011	\$13,136,544	\$13,059,643	99%	\$3,288,194	\$16,347,837
3	Arkansas	10/31/2011	\$13,168,350	\$12,917,919	98%	\$793,456	\$13,711,375
4	Colorado	10/11/2011	\$17,233,489	\$16,799,696	97%	\$0	\$16,799,696
5	Montana	7/18/2011	\$12,765,037	\$12,290,794	96%	\$0	\$12,290,794
6	South Carolina	7/6/2011	\$17,990,415	\$17,180,181	95%	\$3,642,797	\$20,822,978
7	New Hampshire	7/18/2011	\$13,168,350	\$12,462,506	95%	\$0	\$12,462,506
8	Michigan	7/6/2011	\$79,157,742	\$72,650,368	92%	\$12,009,272	\$84,659,640
9	Kansas	6/28/2011	\$13,168,350	\$12,179,851	92%	\$0	\$12,179,851
10	Alabama	8/24/2011	\$31,301,498	\$28,040,156	90%	\$21,524,011	\$49,564,167
11	South Dakota	9/22/2011	\$13,168,350	\$11,906,167	90%	\$0	\$11,906,167
12	West Virginia	11/18/2011	\$13,168,350	\$11,874,455	90%	\$350,591	\$12,225,046
13	North Carolina	5/23/2011	\$46,061,319	\$40,071,125	87%	\$0	\$40,071,125
14	Missouri	5/23/2011	\$26,930,294	\$23,320,616	87%	\$0	\$23,320,616
15	Vermont	5/23/2011	\$13,168,350	\$11,464,353	87%	\$0	\$11,464,353
16	Texas	8/15/2011	\$46,553,879	\$39,249,285	84%	\$0	\$39,249,285
17	Hawaii	5/27/2011	\$13,168,350	\$10,944,778	83%	\$0	\$10,944,778
18	Illinois	7/26/2011	\$78,365,264	\$61,819,984	79%	\$0	\$61,819,984
19	Tennessee	10/4/2011	\$29,672,070	\$22,362,149	75%	\$0	\$22,362,149
20	Washington	10/31/2011	\$19,722,515	\$14,812,872	75%	\$0	\$14,812,872
21	Oregon	8/29/2011	\$16,516,197	\$12,376,546	75%	\$0	\$12,376,546
22	Puerto Rico	10/6/2011	\$14,540,057	\$9,962,500	69%	\$0	\$9,962,500
23	Oklahoma	7/18/2011	\$13,168,350	\$9,084,915	69%	\$0	\$9,084,915
24	Mississippi	8/24/2011	\$13,168,350	\$9,038,853	69%	\$67,951	\$9,106,804
25	Florida	8/24/2011	\$97,662,349	\$64,457,745	66%	\$13,688,202	\$78,145,947
26	New Jersey	9/22/2011	\$33,760,698	\$22,257,304	66%	\$0	\$22,257,304
27	New Mexico	10/11/2011	\$13,168,350	\$8,605,922	65%	\$0	\$8,605,922
28	Louisiana	8/24/2011	\$13,168,350	\$8,604,797	65%	\$517,500	\$9,122,297
29	Alaska, Anchorage	1/26/2012	\$13,168,350	\$8,597,643	65%	\$0	\$8,597,643
30	Arizona	11/7/2011	\$18,204,217	\$11,640,544	64%	\$0	\$11,640,544
31	Iowa	8/30/2011	\$13,168,350	\$8,403,964	64%	\$0	\$8,403,964
32	New York	9/26/2011	\$55,351,534	\$34,926,288	63%	\$0	\$34,926,288
33	Indiana	5/27/2011	\$34,339,074	\$21,648,195	63%	\$0	\$21,648,195
34	Nebraska	10/4/2011	\$13,168,350	\$8,140,252	62%	\$0	\$8,140,252
35	Minnesota	9/30/2011	\$15,463,182	\$9,417,386	61%	\$0	\$9,417,386
36	Utah	9/30/2011	\$13,168,350	\$7,560,808	57%	\$0	\$7,560,808
37	Wyoming, Laramie	12/4/2012	\$13,168,350	\$7,203,513	55%	\$0	\$7,203,513
38	Georgia	12/13/2011	\$47,808,507	\$25,960,522	54%	\$377,000	\$26,337,522
39	California	5/19/2011	\$167,755,641	\$88,454,117	53%	\$0	\$88,454,117
40	Massachusetts	9/13/2011	\$20,445,072	\$10,052,639	49%	\$3,763,133	\$13,815,772
41	Delaware	7/18/2011	\$13,168,350	\$6,448,013	49%	\$0	\$6,448,013
42	Ohio	9/2/2011	\$55,138,373	\$26,475,966	48%	\$0	\$26,475,966
43	Virginia	8/15/2011	\$17,953,191	\$8,558,328	48%	\$0	\$8,558,328
44	Pennsylvania	10/6/2011	\$29,241,232	\$13,715,042	47%	\$2,800	\$13,717,842
45	North Dakota, Carrington	9/28/2012	\$3,433,709	\$1,535,156	45%	\$0	\$1,535,156
46	Wisconsin	9/22/2011	\$22,363,554	\$9,191,770	41%	\$0	\$9,191,770
47	Guam	9/30/2011	\$13,168,350	\$5,099,430	39%	\$0	\$5,099,430
48	Kentucky	7/28/2011	\$15,487,998	\$5,121,076	33%	\$0	\$5,121,076
49	Nevada	9/30/2011	\$13,803,176	\$4,351,929	32%	\$0	\$4,351,929
50	Rhode Island	9/6/2011	\$13,168,350	\$4,216,499	32%	\$0	\$4,216,499
51	Maine	9/6/2011	\$13,168,350	\$3,624,838	28%	\$0	\$3,624,838
52	Maryland	6/2/2011	\$23,025,709	\$6,270,471	27%	\$0	\$6,270,471
53	Virgin Islands	10/4/2011	\$13,168,350	\$3,201,103	24%	\$0	\$3,201,103
54	District of Columbia	8/15/2011	\$13,168,350	\$3,163,678	24%	\$0	\$3,163,678
55	Northern Mariana	3/14/2012	\$13,168,350	\$444,034	3%	\$0	\$444,034
56	American Samoa	2/14/2012	\$10,500,000	\$173,500	2%	\$0	\$173,500
57	Connecticut	7/14/2011	\$13,301,126	\$158,913	1%	\$0	\$158,913
<b>Total</b>			<b>\$1,457,591,353</b>	<b>\$943,285,735</b>	<b>65%</b>	<b>\$60,689,485</b>	<b>\$1,003,975,220</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 9/30/2014)**

#	State	Agreement Date	Allocated Amount**	Original SSBCI Allocation Deployed	Percent	Recycled Funds Deployed	Total Funds Deployed***
1	California	5/19/2011	\$167,755,641	\$88,454,117	53%	\$0	\$88,454,117
2	Michigan	7/6/2011	\$79,157,742	\$72,650,368	92%	\$12,009,272	\$84,659,640
3	Florida	8/24/2011	\$97,662,349	\$64,457,745	66%	\$13,688,202	\$78,145,947
4	Illinois	7/26/2011	\$78,365,264	\$61,819,984	79%	\$0	\$61,819,984
5	Alabama	8/24/2011	\$31,301,498	\$28,040,156	90%	\$21,524,011	\$49,564,167
6	North Carolina	5/23/2011	\$46,061,319	\$40,071,125	87%	\$0	\$40,071,125
7	Texas	8/15/2011	\$46,553,879	\$39,249,285	84%	\$0	\$39,249,285
8	New York	9/26/2011	\$55,351,534	\$34,926,288	63%	\$0	\$34,926,288
9	Ohio	9/2/2011	\$55,138,373	\$26,475,966	48%	\$0	\$26,475,966
10	Georgia	12/13/2011	\$47,808,507	\$25,960,522	54%	\$377,000	\$26,337,522
11	Missouri	5/23/2011	\$26,930,294	\$23,320,616	87%	\$0	\$23,320,616
12	Tennessee	10/4/2011	\$29,672,070	\$22,362,149	75%	\$0	\$22,362,149
13	New Jersey	9/22/2011	\$33,760,698	\$22,257,304	66%	\$0	\$22,257,304
14	Indiana	5/27/2011	\$34,339,074	\$21,648,195	63%	\$0	\$21,648,195
15	South Carolina	7/6/2011	\$17,990,415	\$17,180,181	95%	\$3,642,797	\$20,822,978
16	Colorado	10/11/2011	\$17,233,489	\$16,799,696	97%	\$0	\$16,799,696
17	Idaho	8/29/2011	\$13,136,544	\$13,059,643	99%	\$3,288,194	\$16,347,837
18	Washington	10/31/2011	\$19,722,515	\$14,812,872	75%	\$0	\$14,812,872
19	Massachusetts	9/13/2011	\$20,445,072	\$10,052,639	49%	\$3,763,133	\$13,815,772
20	Pennsylvania	10/6/2011	\$29,241,232	\$13,715,042	47%	\$2,800	\$13,717,842
21	Arkansas	10/31/2011	\$13,168,350	\$12,917,919	98%	\$793,456	\$13,711,375
22	New Hampshire	7/18/2011	\$13,168,350	\$12,462,506	95%	\$0	\$12,462,506
23	Oregon	8/29/2011	\$16,516,197	\$12,376,546	75%	\$0	\$12,376,546
24	Montana	7/18/2011	\$12,765,037	\$12,290,794	96%	\$0	\$12,290,794
25	West Virginia	11/18/2011	\$13,168,350	\$11,874,455	90%	\$350,591	\$12,225,046
26	Kansas	6/28/2011	\$13,168,350	\$12,179,851	92%	\$0	\$12,179,851
27	South Dakota	9/22/2011	\$13,168,350	\$11,906,167	90%	\$0	\$11,906,167
28	Arizona	11/7/2011	\$18,204,217	\$11,640,544	64%	\$0	\$11,640,544
29	Vermont	5/23/2011	\$13,168,350	\$11,464,353	87%	\$0	\$11,464,353
30	Hawaii	5/27/2011	\$13,168,350	\$10,944,778	83%	\$0	\$10,944,778
31	North Dakota, Mandan	8/31/2012	\$9,734,641	\$9,734,641	100%	\$664,578	\$10,399,219
32	Puerto Rico	10/6/2011	\$14,540,057	\$9,962,500	69%	\$0	\$9,962,500
33	Minnesota	9/30/2011	\$15,463,182	\$9,417,386	61%	\$0	\$9,417,386
34	Wisconsin	9/22/2011	\$22,363,554	\$9,191,770	41%	\$0	\$9,191,770
35	Louisiana	8/24/2011	\$13,168,350	\$8,604,797	65%	\$517,500	\$9,122,297
36	Mississippi	8/24/2011	\$13,168,350	\$9,038,853	69%	\$67,951	\$9,106,804
37	Oklahoma	7/18/2011	\$13,168,350	\$9,084,915	69%	\$0	\$9,084,915
38	New Mexico	10/11/2011	\$13,168,350	\$8,605,922	65%	\$0	\$8,605,922
39	Alaska, Anchorage	1/26/2012	\$13,168,350	\$8,597,643	65%	\$0	\$8,597,643
40	Virginia	8/15/2011	\$17,953,191	\$8,558,328	48%	\$0	\$8,558,328
41	Iowa	8/30/2011	\$13,168,350	\$8,403,964	64%	\$0	\$8,403,964
42	Nebraska	10/4/2011	\$13,168,350	\$8,140,252	62%	\$0	\$8,140,252
43	Utah	9/30/2011	\$13,168,350	\$7,560,808	57%	\$0	\$7,560,808
44	Wyoming, Laramie	12/4/2012	\$13,168,350	\$7,203,513	55%	\$0	\$7,203,513
45	Delaware	7/18/2011	\$13,168,350	\$6,448,013	49%	\$0	\$6,448,013
46	Maryland	6/2/2011	\$23,025,709	\$6,270,471	27%	\$0	\$6,270,471
47	Kentucky	7/28/2011	\$15,487,998	\$5,121,076	33%	\$0	\$5,121,076
48	Guam	9/30/2011	\$13,168,350	\$5,099,430	39%	\$0	\$5,099,430
49	Nevada	9/30/2011	\$13,803,176	\$4,351,929	32%	\$0	\$4,351,929
50	Rhode Island	9/6/2011	\$13,168,350	\$4,216,499	32%	\$0	\$4,216,499
51	Maine	9/6/2011	\$13,168,350	\$3,624,838	28%	\$0	\$3,624,838
52	Virgin Islands	10/4/2011	\$13,168,350	\$3,201,103	24%	\$0	\$3,201,103
53	District of Columbia	8/15/2011	\$13,168,350	\$3,163,678	24%	\$0	\$3,163,678
54	North Dakota, Carrington	9/28/2012	\$3,433,709	\$1,535,156	45%	\$0	\$1,535,156
55	Northern Mariana	3/14/2012	\$13,168,350	\$444,034	3%	\$0	\$444,034
56	American Samoa	2/14/2012	\$10,500,000	\$173,500	2%	\$0	\$173,500
57	Connecticut	7/14/2011	\$13,301,126	\$158,913	1%	\$0	\$158,913
<b>Total</b>			<b>\$1,457,591,353</b>	<b>\$943,285,735</b>	<b>65%</b>	<b>\$60,689,485</b>	<b>\$1,003,975,220</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.