Appendices

Program Evaluation of the U.S. Department of Treasury State Small Business Credit Initiative

Center for Regional Economic Competitiveness & Cromwell Schmisseur

OCTOBER 2016

SSBCI

Appendix 1: Program Parameters

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APPENDIX 1:

Program Parameters

Appendix 1 summarizes program parameters as described in the SSBCI program rules. It is an informal summary of some of the program parameters and requirements set forth in the SSBCI Policy Guidelines, Allocation Agreements, National Standards for Compliance and Oversight, and Frequently Asked Questions[49] It is important to note that each state may have placed further restrictions on its programs and that states developed their own underwriting criteria and processes.

Business and Funding Eligibility

SSBCI funds may be used to support operating small businesses and most nonprofit entities to expand economic opportunity. Ineligible uses included refinancing debt by the same lender, financing passive real estate investments, and providing capital for religious institutions in the performance of their core mission, among others. Other prohibited businesses included those engaged in speculative activities, businesses that earn more than half of revenue from lending activities (except non-depository CDFIs), businesses engaged in gambling activities, and other business activities prohibited by federal law.

Business Size and Transaction Size Limits

For CAPs, the maximum business size was 500 employees and the maximum transaction size was $5 million. For other programs, the maximum business size was 750 employees with a maximum transaction size of $20 million. In addition to these limits for other programs, states were required to target an average business size of 500 employees or less and transactions of $5 million or less.

Private Leverage

Each transaction required that the total amount of private capital at risk would constitute at least 20 percent of the SSBCI-supported transaction. Each program was required to spur $1 in private lending or investing for each $1 in SSBCI funding at all times. Further, states had to demonstrate a reasonable expectation of leveraging at least $10 in new small business lending or investing for every $1 of federal investment for all of the state's programs combined.

Service to Underserved Communities

The Act sought to encourage private sector lending and investing that would "provide capital access to small businesses in low- and moderate-income, minority, and other underserved communities, including women- and minority-owned small businesses."[50] Each state had to provide a plan on how they would target underserved communities, giving states flexibility to define "underserved."

49 "Resource Center." U.S. Department of the Treasury. Web accessed. (https://www.treasury.gov/resource-center/sb-programs/Pages/summary-of-where-to-find-program-rules-for-the-ssbci.aspx).

50 H.R. 5297 – Small Business Jobs Act of 2010. Section 3005(e)8. Web accessed. (https://www.congress.gov/bill/111th-congress/house-bill/5297).

Lender Eligibility

All banks, credit unions, and CDFIs were eligible lenders. Each state was responsible for determining if lenders have sufficient commercial lending experience, financial and managerial capacity, and operational skills to meet the purposes of the program.

Program Administration

The Act provided key parameters to Treasury to manage the deployment of funds and administration of state programs:

- **Allocations –** Each state received between $13 and $168 million based on a formula tied to the state's population and change in unemployment during the recession.
- **Disbursements –** States received one-third of their funding initially and could receive the next disbursement of funds after they had successfully deployed 80 percent of the previous disbursement.
- **Administering Entities –** States could partner with third parties to administer some or all of the programs, with state oversight.
- **Administrative fees –** States were allowed to use 5 percent their first disbursement and 3 percent of the second and third disbursements to support program administration.
- **Sunset –**Treasury's allocation agreements with states expire on March 31, 2017, and Treasury's SSBCI administration authority expires on September 27, 2017, at which time undisbursed funds revert to the General Fund at the Treasury.
- **Dispensation of funds –** Funds deployed and repaid to states lose their federal character and revert to state control after March 31, 2017.

Appendix 2: SSBCI Administering Organizations by Type and Partipating State

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APPENDIX 2:

SSBCI Administering Organizations by Type and Participating State

Public Agencies

States	Public Agencies
Alabama	Alabama Dept. of Economic and Community Affairs
American Samoa	American Samoa Department of Commerce
Alaska, Anchorage	Municipality of Anchorage - Finance Department
California	Governor's Office of Business and Economic Development
	California Pollution Control Financing Authority
Delaware	Delaware Economic Development Office
District of Columbia	Dept. of Insurance, Securities and Banking
Florida	Florida Dept. of Economic Opportunity
Georgia	Georgia Dept. of Community Affairs
Hawaii	Hawaii Strategic Development Corporation
Illinois	Illinois Dept. of Commerce and Economic Opportunity
Kentucky	Kentucky Cabinet for Economic Development
Louisiana	Louisiana Economic Development Corporation
Maryland	Maryland Dept. of Commerce
	Maryland Dept. of Housing and Community Development
Minnesota	Minnesota Dept. of Employment and Economic Development
Mississippi	Mississippi Development Authority
Missouri	Missouri Dept. of Economic Development
Montana	Governor's Office of Economic Development
Nebraska	Nebraska Dept. of Economic Development
Nevada	Nevada Governor's Office of Economic Development
New Mexico	New Mexico Economic Development Dept.
New York	Empire State Development
North Dakota, Mandan	City of Mandan Business Development & Communications Office
Northern Mariana Islands	Commonwealth Development Authority
Ohio	Ohio Development Services Agency
Oregon	Business Oregon
Pennsylvania	Pennsylvania Dept. of Community and Economic Development
South Dakota	South Dakota Governor's Office of Economic Development
Texas	Texas Dept. of Agriculture
Virginia	Virginia Small Business Financing Authority
Washington	Washington Dept. of Commerce

Quasi- Public Agencies

States	Quasi-Public Agencies
Arizona	Arizona Commerce Authority
Arkansas	Arkansas Development Finance Authority
Colorado	Colorado Housing and Finance Authority
Connecticut	Connecticut Development Authority
Guam	Guam Economic Development Authority
Idaho	Idaho Housing and Finance Association
Indiana	Indiana Economic Development Corporation
Maine	Finance Authority of Maine
Massachusetts	Massachusetts Growth Capital Corporation
Michigan	Michigan Economic Development Corporation
Missouri	Missouri Technology Corporation
New Hampshire	New Hampshire Business Finance Authority
New Jersey	New Jersey Economic Development Authority
Puerto Rico	Economic Development Bank of Puerto Rico
Rhode Island	Rhode Island Commerce Corporation
Vermont	Vermont Economic Development Authority
Virgin Islands	Virgin Island Economic Development Authority
West Virginia	West Virginia Jobs Investment Trust
Wisconsin	Wisconsin Housing and Economic Development Authority

Private Organizations

Participating States	Private Organizations (Nonprofit and For Profit)
Connecticut	Connecticut Innovations, Inc.
Florida	Enterprise Florida, Inc.
	Florida First Partners
	Florida Export Finance Corporation
	Fund Florida First Capital Finance Corporation
Iowa	Iowa Business Growth Corporation
	Iowa Foundation for Microenterprise and Community Vitality
Kansas	NetWork Kansas
Maine	Maine Venture Fund
Maryland	Maryland Venture Fund
Massachusetts	Massachusetts Business Development Corporation
Nebraska	Invest Nebraska Corporation
Nevada	University of Nevada Small Business Development Center
North Carolina	North Carolina Rural Economic Development Center, Inc.
North Dakota, Carrington	Red River Corridor Fund
North Dakota, Mandan	Lewis and Clark Regional Development Council
Oklahoma	i2E, Inc.
Pennsylvania	Ben Franklin Technology Partners
	Life Science Greenhouses
Rhode Island	Betaspring
	Slater Technology Fund
	Rhode Island Small Business Loan Fund Corporation
South Carolina	Business Development Corporation of South Carolina
Tennessee	Launch Tennessee
Utah	Utah Small Business Growth Initiative
Virginia	Center for Innovative Technology
Washington	Craft3 Fund
	W Fund Management, LLC
Wisconsin	Wisconsin Business Development Corporation
Wyoming, Laramie	Wyoming Smart Capital Networks, LLC

Appendix 3: Profiles of State SSBCI Programs

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APPENDIX 3:

State[51] Program Profiles

This appendix 3 summarizes the 151[52] Approved State Programs funded by the State Small Business Credit Initiative (SSBCI). The program profiles are derived from application materials, annual reports, and interviews with state programs managers. All data presented and program descriptions are as of December 31, 2015.

Each profile includes:

- cumulative outcomes for each state's SSBCI program, including:
  - The number of jobs retained and the projected number of jobs expected to be created within two years as reported by the business
  - Median business size by number of Full Time Equivalent (FTEs) employees
  - Percent of transactions in Low- and Moderate- Income (LMI)[53] Areas
  - The top industries assisted by the program
- a narrative summary of each credit support and/or venture capital program
- a summary of lessons learned and other perspectives provided by state program managers and officials

[51] *Treasury approved SSBCI applications from 47 states, the District of Columbia, five territories, and municipalities in three states (collectively referred to as "states").*

[52] *SSBCI funded 152 Approved State Programs through December 31, 2015; however, this Appendix 3 does not include the American Samoa Venture Fund (ASVF), which has not expended or obligated SSBCI funds for investments to date.*

[53] *Based on 2010 Census Bureau's 5-year American Community Survey. "Low income" households earn less than 50 percent of area median income. "Moderate income" households earn between 50 percent and 80 percent of area median income. These standards were set based on definition that HUD Community Planning and Development uses for low- and moderate-income households. (http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/library/glossary/l).*

TABLE OF CONTENTS

SSBCI Approved State Programs

Participating State	Allocation ($ millions)	Capital Access	Loan Guarantee	Collateral Support	Loan Participation	Venture Capital
Alabama	$31.3	✓	✓		✓	
Alaska, Anchorage	$13.2					✓
American Samoa	$10.5					✓
Arizona	$18.2				✓	
Arkansas	$13.2	✓	✓		✓	✓*
California	$167.8	✓	✓	✓		
Colorado	$17.2	✓		✓		
Connecticut	$13.3	✓				✓
Delaware	$13.2	✓			✓	
District of Columbia	$13.2			✓	✓	✓
Florida	$97.7	✓	✓*		✓*	✓
Georgia	$47.8	✓	✓		✓*	
Guam	$13.2	✓	✓		✓	
Hawaii	$13.2					✓
Idaho	$13.1			✓		
Illinois	$78.4	✓		✓	✓*	✓
Indiana	$34.3	✓				✓
Iowa	$13.1	✓			✓	✓
Kansas	$13.2				✓	✓
Kentucky	$15.5	✓		✓	✓	
Louisiana	$12.4		✓			✓
Maine	$13.2				✓*	✓
Maryland	$23.0		✓*		✓	✓
Massachusetts	$20.4	✓			✓*	
Michigan	$79.2	✓	✓	✓	✓	✓
Minnesota	$15.5	✓	✓		✓	✓
Mississippi	$13.2		✓			

Participating State	Allocation ($ millions)	Capital Access	Loan Guarantee	Collateral Support	Loan Participation	Venture Capital
Missouri	$26.9				✓	✓
Montana	$12.8				✓	
Nebraska	$13.2				✓	✓
Nevada	$13.8			✓	✓	✓
New Hampshire	$13.2	✓	✓	✓	✓	✓
New Jersey	$33.8		✓		✓*	✓
New Mexico	$13.2				✓	✓
New York	$55.4	✓	✓			✓
North Carolina	$46.1	✓			✓	✓
North Dakota, Carrington	$3.4			✓		✓
North Dakota, Mandan	$9.7				✓	
Northern Mariana Islands	$13.2			✓	✓	
Ohio	$55.1	✓		✓		✓
Oklahoma	$13.2					✓
Oregon	$16.5	✓	✓		✓	
Pennsylvania	$28.9				✓*	✓
Puerto Rico	$14.5				✓	✓
Rhode Island	$13.2				✓	✓*
South Carolina	$18.0	✓			✓	
South Dakota	$13.2				✓	
Tennessee	$29.7					✓
Texas	$46.6				✓	✓
Utah	$11.8		✓		✓	✓
Vermont	$13.2				✓*	
Virgin Islands	$13.2		✓*	✓		
Virginia	$18.0	✓		✓	✓	✓
Washington	$19.7	✓		✓	✓	✓
West Virginia	$13.2		✓	✓	✓	✓
Wisconsin	$22.4		✓			✓

Participating State	Allocation ($ millions)	Capital Access	Loan Guarantee	Collateral Support	Loan Participation	Venture Capital
Wyoming, Laramie	$13.2			✓		✓
Total	**$1,457**					

** indicates 2 or more programs of that type*

Alabama

PROGRAM PORTFOLIO OVERVIEW[54]

Using $31.3 million in SSBCI allocation, Alabama operates three credit support programs. The Alabama Department of Economic and Community Affairs (ADECA) administers each program. SSBCI helped ADECA develop the infrastructure to deliver credit support to lenders for the first time. Through these efforts, ADECA cultivated relationships with and enrolled 32 lenders in the state's SSBCI program.

Table AL-1: Alabama's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Alabama Loan Guarantee Program	Loan Guarantee	$27.6 million	Alabama Department of Economic and Community Affairs
Alabama Capital Access Program	Capital Access	$1.87 million	Alabama Department of Economic and Community Affairs
Alabama Loan Participation Program	Loan Participation	$1.87 million	Alabama Department of Economic and Community Affairs

Combined Program Outcomes

Alabama supported 400 loans that generated almost $153 million in new financing through December 31, 2015.

Table AL-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
400	$28.9 million	$45.2 million	$152.5 million	$381,300	5.3:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
3,957	4 FTEs	4 years	35%	46%	1. Retail Trade 2. Manufacturing 3. Other Services (except Public Administration)

**Includes funds expended for administrative costs*

[54] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Guarantee Program

The Alabama Loan Guarantee Program (LGP), Alabama's primary program, provides up to a 50 percent contingency guarantee on loans of up to $5 million. ADECA charges a 1 percent fee on the amount guaranteed and the term of the guarantee coincides with that of the loan. All business types, sizes, and loan purposes are eligible if consistent with SSBCI requirements. According to ADECA, the program worked well for (1) transactions originated by smaller community banks that do not participate in SBA programs; (2) transactions that required credit support, but did not justify an 80 percent guarantee as provided by comparable SBA programs; and (3) promising start-ups that would otherwise not qualify under existing bank-established lending standards. ADECA reviews the quality of the bank underwriting, but it does not independently underwrite each transaction. More than 30 lenders have completed transactions through the program.

Capital Access Program

The Alabama Capital Access Program requires the borrower and lender each to contribute to a reserve account with combined contributions ranging from 2 percent to 7 percent of the principal loan amount. ADECA uses SSBCI funds to match the combined borrower and lender contributions on a one to one basis.

Loan Participation Program

The Alabama Loan Participation Program allows ADECA to buy participations on a subordinated basis in term loans. However, almost all of the transactions ADECA supported were enrolled in the LGP.

Credit Support Program Outcomes

Through December 31, 2015, Alabama's SSBCI credit support programs have supported 400 loans resulting in almost $153 million in total financing from $29 million in SSBCI funds. The credit support programs have generated $5.30 in total financing for every $1 in SSBCI funds spent. Businesses reported that the transactions will help create or retain almost 4,000 jobs.

More than 90 percent of SSBCI dollars expended to date have helped business services, personal services, manufacturing, and retail businesses. The most active participants in the loan guarantee program were community banks – which accounted for more than 90 percent of the transactions ADECA supported. See Table AL-2 for additional credit support program outcomes.

Alabama measures the success of these credit support programs based on the number of jobs created and retained, and based on having a minimal default rate associated with publicly backed lending. The latter concern is based on the state's very conservative stance toward risk associated with public investments. With support of the SSBCI program, the program manager cultivated relationships with a number of new lending partners. Ten lenders (four community banks and one community development financial institution (CDFI)) – ServisFirst Bank, Southern States Bank, United Bank, Peoples Bank of Alabama, South Point Bank, Oakworth Capital Bank, Troy Bank & Trust Company, Pinnacle Bank, Noble Bank & Trust N.A., and First Citizens Bank – have each used more than $2 million each in SSBCI funds through the LGP, representing nearly 80 percent of the program volume as well as 80 percent of the total guarantee transactions. United Bank, a CDFI, has used the LGP more than other lenders, comprising 37 percent of the state's loan guarantee transactions.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Sponsorship from both the governor and bank superintendent helped establish the programs' credibility.
- Hiring a former bank lender who could effectively communicate the value proposition of the program and who dedicated extensive time to sustained personal outreach significantly expanded bank participation.
- Alabama initially offered capital access, loan participation, and loan guarantee programs. According to ADECA, lenders preferred the loan guarantee program because, from the banker's perspective, it is much easier and cheaper (less cumbersome in paperwork and less costly to customer in fees) to use than SBA's guarantee program. Also, bankers have found the 50 percent loan guarantee attractive.
- The state minimized its role in loan approvals by establishing an initial lender enrollment process, which reviews the enrollee to verify their good standing and the adequacy of their underwriting criteria and loan experience. Once lenders are enrolled in the program, they are solely responsible for underwriting, packaging, and managing the loans. The program manager's staff purposely molded the programs this way to bypass many of the past difficulties they experienced with program implementation (e.g., cumbersome application processes and restrictions tied to federal programs and challenges experienced with internal underwriting of loans).
- ADECA's loan checklist helps verify that SSBCI program requirements are met. Checklist completion is required prior to each loan, enabling an evaluation for compliance with SSBCI requirements and policy guidelines prior to funding.

Alaska-Anchorage

PROGRAM PORTFOLIO OVERVIEW[55]

Using $13.2 million in SSBCI allocation, the Municipality of Anchorage, Alaska, operates a venture capital program, the 49th State Angel Fund (49SAF).

The 49th State Angel Fund (49SAF) includes equity financing managed through both a fund of funds model as well as agency-managed investments. The fund of funds strategy received most of the SSBCI allocation, with the agency-managed fund strategy created to explore the potential for directly supporting investments in early-stage businesses. After one direct investment was closed, the initiative shifted its approach to exclusively support private investment managers in the fund of funds.

Table AK-1: Alaska-Anchorage's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
49SAF	Venture Capital	$13.2 million	Municipality of Anchorage – Finance Department

Program Outcomes

The Municipality of Anchorage, Alaska, supported 8 investments that generated almost $6 million in total financing through December 31, 2015.

Table AK-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
8	$1.26 million	$0	$5.6 million	$701,800	4.5:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
42	5 FTEs	1 year	25%	0%	1a. Manufacturing 1b. Professional, Scientific, and Technical Services 1b. Manufacturing 2a. Wholesale Trade 2b. Retail Trade 2c. Agriculture, Forestry, Fishing and Hunting 2d. Information

**Includes funds expended for administrative costs*

[55] *All data and program descriptions presented here are as of December 31, 2015.*

VENTURE CAPITAL PROGRAM

As a new venture capital program designed and managed by a municipality lacking prior experience with venture capital programs, the 49SAF required new processes and people to be put in place for implementation. A 49SAF Investment Advisory Committee, consisting of mayoral appointees and representing a cross-section of business leaders with diverse backgrounds, was created to assist with evaluating potential investees and make investment recommendations. The responsible parties at the municipality included the Chief Financial Officer and Program Manager, with the Mayor having the authority to approve, modify, or reject fund participation recommendations coming out of due diligence performed by program staff. Application periods for interested funds were held semi-annually while funds remained available. A member of the investment committee was assigned a fund to observe and report updates during committee meetings.

The contracted fund managers invest in the form of equity or convertible debt investments, often serving as the lead investor to set investment terms and assist with identifying co-investors. In addition to the funding leverage that comes from private capital invested by the fund, investment managers seek co-investment participation from resident individual angel investors and venture capital funds managed outside of Alaska. The Municipality of Anchorage participates as a Limited Partner (LP) investor in each fund, participating in any financial returns on similar terms to other LPs.

Table AK-3: 49SAF Fund Summary

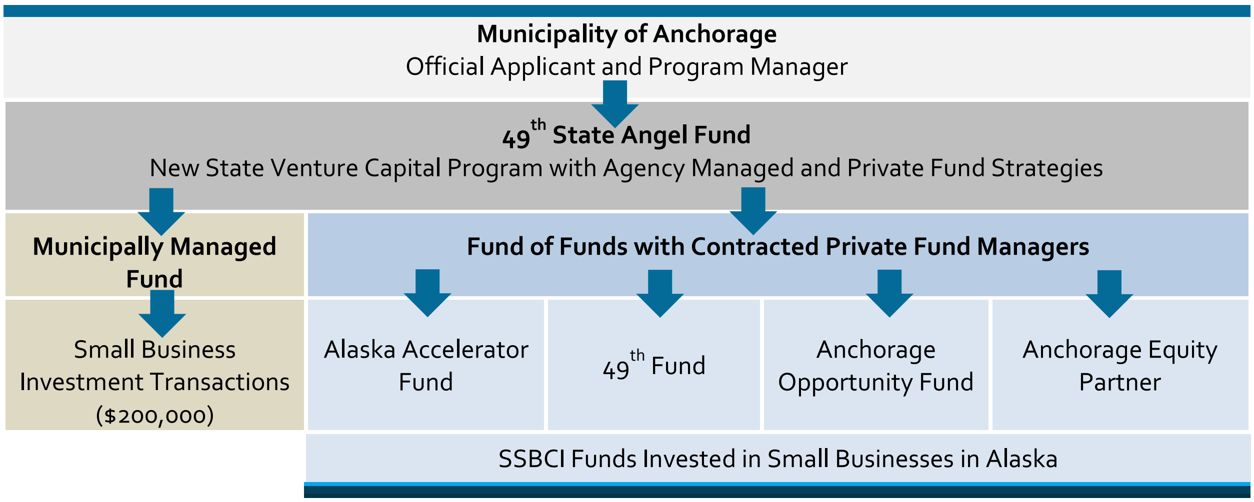
49SAF Municipality Managed Fund Program			
	Investment	**Investment Stage**	**Investment Description**
49SAF	$200,000	Seed/Early	Direct investment closed as convertible debt in a medical technology startup

49SAF Fund-of-Funds Program			
Fund Name	**Allocation**	**Investment Stage**	**Contracted Fund Size**
Alaska Accelerator Fund	$850,000	Seed	$1.7 million fund
49th Fund	$2 million	Growth	$4 million fund
Anchorage Opportunity Fund	$2 million	Expansion	$4 million fund
Anchorage Equity Partners	$4.5 million	Expansion	$9.25 million fund

The state of Alaska initially considered the opportunity to submit an application to Treasury for participation in SSBCI. However, with Alaska's population and small business activity concentrated around Anchorage, the state supported an application by the Municipality of Anchorage to establish and administer a venture capital program. The 49SAF objective is to provide a new source of capital to Anchorage entrepreneurs that will spur economic development and build a base of private investors to increase equity-based investment in Alaska.

The majority of economic activity in Alaska is focused on large-scale resource extraction and development opportunities in the oil and gas, mining, and seafood harvesting industries. Through the 49SAF, public and private sector leaders aim to further diversify the state's economy and support emerging industry opportunities such as digital media, entertainment and alternative energy. With a lack of venture capital managed and invested in geographically isolated Alaska, building in-state investment capacity and increasing strategic connections to private investors outside the state were 49SAF priorities identified by program stakeholders. The contracted private fund managers had responsibility for setting the investment strategy and target investment stage for each fund, with the 49SAF fund portfolio including seed, growth, and expansion stage strategies.

Figure AK-4: 49SAF Program Structure



Venture Capital Program Outcomes

Through December 31, 2015, 49SAF had expended $1.26 million or 10.5% of its $13 million VCP allocation in 8 transactions. See Table AK-2 for venture capital program outcomes.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Implementing a direct investment program through a governmental agency is difficult, especially when experienced personnel and adequate administration budgets are not in place. However, experimenting with a direct investment approach helped to educate program managers and stakeholders in Alaska on the challenges involved in building investor syndicates and partnering with private investors, leading to the shift to fund of funds.
- When creating a new venture capital program in a developing market, it is critically important to attract credible leadership to assist with administration, deal evaluation and investing – including professional service providers and advisors.
- Having private sector and public sector champions for a new capital initiative is a critical success factor. The city mayor was an early champion of the 49SAF and mobilized staff to support it. A private citizen, who is also a prominent leader in the entrepreneurial community, played a key role in convening stakeholders and building interest.
- Raising aspirational goals and changing perceptions of investors and entrepreneurs is necessary to achieve long term, sustainable success in Alaska with capital formation initiatives.
- In developing entrepreneurial ecosystems, sourcing viable investment deals and bona fide investment fund managers is a challenge to program execution – both were an issue in Alaska.

Arizona

PROGRAM PORTFOLIO OVERVIEW[56]

Using $18.2 million in SSBCI allocation, Arizona operates a single credit support program – a loan participation program, the Arizona Expansion Fund, which is marketed as the Arizona Innovation Accelerator Fund (the Fund). Prior to SSBCI, the state had no credit support programs.

The Arizona Commerce Authority (ACA), a quasi-public agency that performs the functions of the former commerce department, manages the program and targets it to certain key industries such as manufacturing, aerospace and defense, semiconductors, optics, bioscience, and renewable energy. However, any eligible small business may apply for the program.

Table AZ-1: Arizona's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Arizona Expansion Fund (aka the Arizona Innovation Accelerator Fund)	Loan Participation	$18.2 million	Arizona Commerce Authority

Program Outcomes

Arizona supported 52 loans that generated almost $86 million in total financing through December 31, 2015.

Table AZ-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
52	$18.4 million	$234,2000	$85.5 million	$1.64 million	4.6:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
3,429	15 FTEs	5 years	52%	2%	1. Manufacturing 2. Construction 3. Health Care and Social Assistance

**Includes funds expended for administrative costs*

[56] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAM

Loan Participation Program

ACA purchases a portion of a loan up to 49 percent with a maximum of $2 million. The Fund's participation can be either subordinated or "pari passu." In some cases, the Fund will support a line of credit to a company raising equity to finance growth. In such cases, the Fund will typically buy a 100 percent participation in a bank revolving line of credit in an amount up to 33 percent of the equity raised.

ACA charges a commitment fee between 1 percent and 3 percent. For subordinated participations, the interest rate may be set at 100 to 300 basis points above the bank's rate.

ACA reviews the lenders' credit memos and frequently hires independent third parties to review potential loans. Since the bank packages and services the loan, the Fund requires a modest administrative staff and fees can be kept relatively low.

Credit Support Program Outcomes

Through December 31, 2015, the Fund has completed 52 transactions expending $18 million in SSBCI funds to generate almost $86 million in total financing or $4.60 in total financing for every $1 in SSBCI funds spent. In addition to Treasury's standard reporting measures, the program manager also tracks the quality of the jobs created or retained (in terms of average wages), reporting an average annual salary of roughly $42,000 for the businesses receiving loans. See Table AZ-2 for additional credit support program outcomes.

Through this program, ACA has had new opportunities to collaborate with community development financial institutions, community banks, angel networks, and venture capital partners. ACA tracks the number of businesses that have contacted it about financing needs, and these company inquiries help it better understand broader needs and trends within the state's small business community.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Peer states can have a significant impact on the design of programs. The program manager worked closely with Michigan and other states to identify program attributes that would work best in Arizona.
- Program managers relied on their financing experience and relationships previously developed in the private sector to establish trust with key loan partners, including tapping lender expertise to help develop a program model in response to market needs.
- To limit its staffing requirements and keep administrative costs down, Arizona sought to adapt the program's requirements so that it could use pre-existing bank loan documents and tap banks to service ACA's loan purchases.
- Participating banks need continuous "care and feeding" to ensure that they remember the SSBCI program and to help the program develop a reputation as nimble and responsive.
- Arizona was able to prove the program's market flexibility among private-sector constituents by modifying the program to allow for equity investments to match dollars.
- Arizona sought to reinforce banks' perception of ACA as a resource by designing the program in a way that ensures a bank retains the full relationship with the borrower throughout the loan packaging, closing, and servicing process.

Arkansas

PROGRAM PORTFOLIO OVERVIEW[57]

Using $13.2 million in SSBCI allocation, Arkansas operates three credit support programs and three venture capital programs. With the SSBCI program portfolio, the state places a heavy emphasis on supporting access to capital for seed and early stage high-potential tech businesses and reaching a 10 to 1 leverage ratio.

Arkansas Development Finance Authority (ADFA), a state-sponsored quasi-public agency, administers the programs. ADFA's mission is to provide capital to support activities that enhance the quality of life for Arkansans.

Table AR-1: Arkansas' SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Bond Guaranty/ Loan Participation Program	Loan Participation	$4.7 million	Arkansas Development Finance Authority
Disadvantaged Business Enterprise/ Small Business Loan Guarantee Program	Loan Guarantee	$720,000	Arkansas Development Finance Authority
Arkansas Capital Access Program	Capital Access	$41,500	Arkansas Development Finance Authority
Arkansas Development Finance Authority Co-investment Fund	Venture Capital	$3.6 million	Arkansas Development Finance Authority
Seed and Angel Capital Network	Venture Capital	$2.8 million	Arkansas Development Finance Authority

Combined Program Outcomes

Arkansas supported 240 loans and investments that generated $215 million in total financing through December 31, 2015.

Table AR-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
239	$12.0 million	$1.2 million	$215.5 million	$901,471	17.9:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,542	2 FTEs	1.6 years	45%	13%	1. Professional, Scientific, and Technical Services 2. Manufacturing 3. Retail Trade

**Includes funds expended for administrative costs*

[57] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Participation Program

ADFA developed the Bond Guaranty/Loan Participation Program to augment the program manager's existing bond guaranty program, under which ADFA guarantees bond issues sold to the public for businesses without a credit rating. ADFA uses SSBCI funds to purchase a participation in the total financing, generally around 9 percent. The loan participation part of the transaction allows ADFA to finance collateral shortfalls and strengthen the creditworthiness of the bond-financed portion of the transaction. A bond trustee manages bond payments and accounting. ADFA manages the SSBCI loan participation directly. The SSBCI loan participation is limited to a maximum term of 10 years although bond issues could have a 20- to 30-year term. The SSBCI loan participation is subordinated to the bond and is priced at a 3 percent interest rate.

Loan Guarantee Program

The Disadvantaged Business Enterprise/Small Business Loan Guaranty Program provides credit enhancements for small contractors seeking a guarantee up to $200,000. While the program manager's legacy guarantee program was limited to disadvantaged businesses, the SSBCI program is open to all small businesses. The guarantee is collateralized in part by assignment of a contract, generally for construction projects and often for state highway projects. The term for the guarantee is typically limited to six months with the potential for a six-month renewal. The maximum guarantee is 80 percent, and the amount set aside to cover the guarantee is equal to the amount guaranteed. Borrowers incur a fee of 1 percent of the loan amount at closing and an additional 1 percent of the loan amount upon renewal.

Capital Access Program

The Arkansas CAP requires the borrower and lender each to contribute to a reserve account with combined contributions ranging from 2 percent to 7 percent of the principal loan amount. ADFA uses SSBCI funds to match the combined borrower and lender contributions on a one to one basis.

Credit Support Program Outcomes

Through December 31, 2015, Arkansas's SSBCI credit support programs have supported 120 loans resulting in almost $70 million in total financing using $5.3 million in SSBCI funds for credit enhancement. The credit support programs have generated $13.30 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain 1,543 jobs.

Table AR-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
119	$5.2 million	$757,000	$69.8 million	$586,460	13.4:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-metro Areas**	**Top Industries Assisted**
899	2 FTEs	2 years	36%	25%	1. Manufacturing 2. Retail Trade 3. Professional, Scientific, and Technical Services

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Employing a variety of programs allowed the program manager to reach a wide range of businesses by size and type, to deploy SSBCI funds throughout the state, to achieve a 13 to one private matching of SSBCI funds, and to maximize the efficiency of Arkansas's SSBCI funding. The program manager does not believe that it would have been as successful if it had employed only one or two programs to implement SSBCI.
- Employing a variety of programs allowed the program manager to deploy SSBCI funds expeditiously which in turn allowed it to be among the first states to draw down its second and third SSBCI tranches. ADFA deployed $2.3 million through the Bond Guaranty program prior to year-end of 2012 which was the primary driver in allowing it to draw down its second tranche of SSBCI funds. The drawdown of its third tranche was driven primarily by venture capital investing that accelerated in the second half of 2012 and 2013.
- Partnering with other state agencies and state sponsored programs allowed the program manager to market SSBCI efficiently and effectively. ADFA and the Arkansas Economic Development Commission (AEDC), the state agency that managed other small business programs, jointly call on financial institutions to market their programs. Innovate Arkansas, funded by AEDC, provides technical assistance to entrepreneurs in search of venture capital and long-term debt financing from ADFA.
- SSBCI enabled the program manager to take subordinate positions in its Bond Guaranty program, which allowed it to close transactions that it would not have been able to do through its legacy Bond Guaranty program.
- While the CAP was not attractive to bank lenders, CDFI lenders found the program to be easy to use and effective. The program is attractive because of the bonus reserve contribution backed by ADFA's legacy funding for the first $1 million in transactions originated by each lender.
- Small commercial loans of less than $50,000 are no longer attractive to banks.

VENTURE CAPITAL PROGRAMS

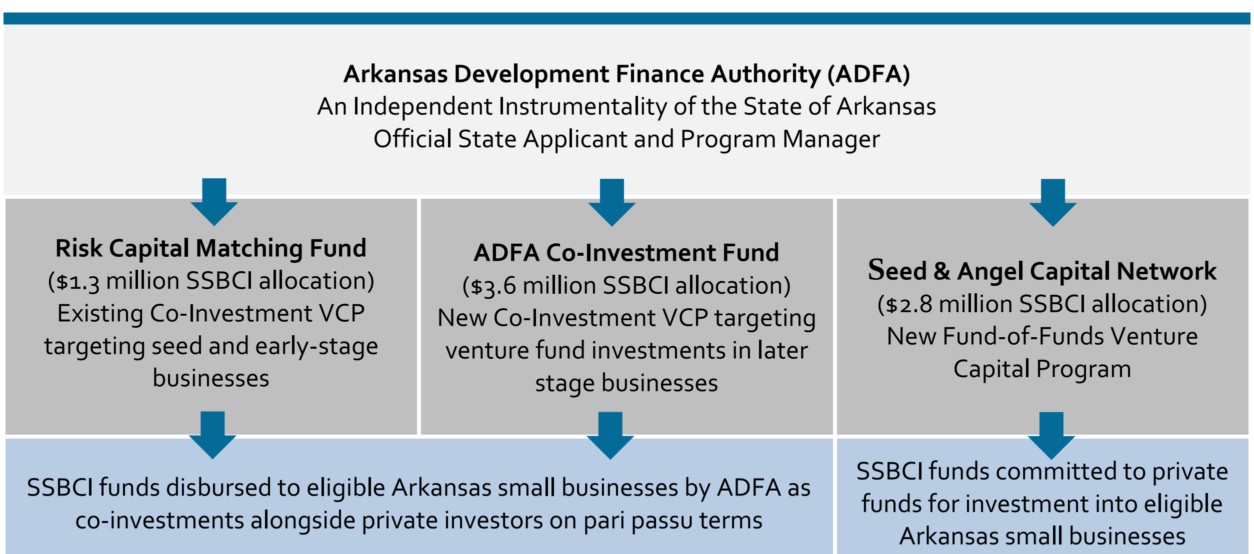
Arkansas' SSBCI venture capital programs (VCPs) make up 60 percent of its total allocation through the: 1) Risk Capital Matching Fund, which targets seed/early stage technology businesses needing further development to attract venture capital investment; 2) ADFA Co-investment Fund, which invests alongside venture capital funds in more advanced technology businesses, and 3) Angel/Seed Network fund of funds, which seeks to increase angel investor activity and the organization of angel investor groups in the state. Prior to SSBCI, ADFA had substantial experience managing VCPs, including a pre-existing Risk Capital Matching Fund that had already invested $1.7 million in six businesses, and a program that invested capital in Arkansas-based and out-of-state regional venture capital funds. The primary purpose of the VCPs is supporting access to capital for seed and early stage high-potential technology businesses.

Venture Capital Program Design and Operations

ADFA programs co-invest alongside private sector investors with equity investments in private businesses or venture funds on pari passu terms with other investors. ADFA does not lead investment rounds, but often actively supports entrepreneurs seeking to identify lead investors. The Risk Capital Matching Fund and ADFA Co-investment Fund invest directly in small businesses, and the Angel/Seed Network makes investments in seed/early stage venture funds, technology business accelerators and funds established by angel investor groups. The form of the investments can range from convertible debt to equity depending on the terms established by the lead investor.

The primary goal for the state is to augment private sector investments, helping to accelerate the time it takes high-potential small businesses to close on investment rounds after it has secured the commitment of lead investors. ADFA designed its SSBCI programs to quickly deploy capital using existing program models. Though the amounts vary from deal to deal, seed/early stage businesses typically give new investors 20 to 30 percent of the fully diluted ownership interests in the company, and with ADFA typically matched 4 to 1 by private investors, ADFA's ownership interest is typically 5 to 6 percent after the initial close, with the expectation that it will become more diluted with each follow-on round of investment. ADFA typically does not invest in follow-on rounds, preferring to maximize the number of seed investments it can make.

Figure AR-4: Arkansas Venture Capital Program Structure



Venture Capital Program Outcomes

Through December 31, 2015, ADFA had expended $6.8 million or 85 percent of its $8 million VCP allocation, and $7.3 million or 91 percent of the allocation has been expended or obligated through the same period. A very important outcome from the outset was the ability of the program manager to sustain popular programs that were short on capital and susceptible to lowered budgets because of widespread economic challenges from 2008 to 2010. Program managers describe the timing of SSBCI as "serendipitous" and the amount of its allocation as crucial to sustaining its existing programs. Due in large part to an $80 million follow-on investment in one of the portfolio businesses, the VCPs have realized a leverage ratio of 21.5 to 1 and are assured of exceeding 10 to 1 leverage across all SSBCI programs.

ADFA targets innovation-based businesses with the potential to pay wages of at least 150 percent of the average state wage. Investees reported that the SSBCI capital will help create or retain 436 jobs in portfolio businesses. But ADFA's primary motivation is to accelerate the flow of capital into innovation-based, high-growth technology businesses, using as much leverage as it can muster from the private sector. Because its programs require pari passu investment returns, ADFA programs make money when private investors make money. For example, ADFA realized a substantial 4X return on its investment of $800,000 of SSBCI capital from an investment in a portfolio company, when it was acquired via an $80 million investment from a national VC fund in 2013. Capital returned from this investment is being recycled into new investments, extending the reach and impact of SSBCI.

Table AR-5: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
120	$6.8 million	$462,900	$145.6 million	$1.21 million	13.4:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
643	3 FTEs	1 year	53%	1%	1. Professional, Scientific, and Technical Services 2. Information 3. Retail Trade

**Includes funds expended for administrative costs*

ADFA also notes SSBCI capital helped to develop new funds or relationships with existing funds focused on seed and early stage investments, and that its co-investment funds helped to establish state-sponsored Innovate Arkansas as a value-add accelerator for Arkansas-based entrepreneurs and their businesses. Essentially, entrepreneurs have learned that Innovate Arkansas is viewed by ADFA as a trusted evaluator of seed and early stage businesses. As a result, more entrepreneurs are putting their businesses through the Innovate Arkansas accelerator, which exposes more to quality educational support and mentoring.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- ADFA already had strong administrative support due to the size and scope of its pre-existing programs. With SSBCI, ADFA did not change the range of its programs, but SSBCI provided greater flexibility to allocate capital between programs – perhaps by describing a singular VCP with a broad range of investment capabilities.
- ADFA has learned from this experience that it may be impractical to obtain board positions with each investment, simply because following through on the fiduciary roles of board members for each investee could consume a significant amount of staff time, creating a preference for observer rights over board member status.
- ADFA also found through investing SSBCI capital that there are certain non-monetary terms that state-sponsored organizations should require that other investors do not necessarily require. These primarily include certain reporting requirements and certain authorities that require board/shareholder approval. An example of this would be level of authority for the CEO to enter the company into debt obligations without board/shareholder approval.
- With its co-investment model, ADFA also noted that they are required to do as much (if not more) research or due diligence on co-investors as the businesses themselves because they must have confidence in the lead investor's abilities to monitor and support the businesses through board service.

California

PROGRAM PORTFOLIO OVERVIEW[58]

Using $167.8 million in SSBCI allocation, California operates four credit support programs to meet the diverse needs of the state's small businesses.

The Governor's Office of Business and Economic Development (Go-Biz) manages the California Small Business Loan Guarantee Program (SBLGP) through the California Infrastructure and Economic Development Bank (IBank). The California Pollution Control Financing Authority (CPCFA) manages the California Capital Access Program (CalCAP), the California Collateral Support Program (CalCSP), and California Property Assessed Clean Energy Program (CalPACE).

Go-Biz offers a range of services to attract, retain, and expand businesses to the state. CPCFA is an independent agency chaired by the California State Treasurer, a statewide officer elected independently of the Governor.

Table CA-1: California's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
California Small Business Loan Guarantee Program	Loan Guarantee	$83.5 million	The Governor's Office of Business and Economic Development
California Collateral Support Program	Collateral Support	$64.7 million	California Pollution Control Financing Authority
California Capital Access Program	Capital Access	$19.6 million	California Pollution Control Financing Authority
California Property Assessed Clean Energy Program	Loan Participation	$0	California Pollution Control Financing Authority

Combined Program Outcomes

California supported 7,699 loans that generated $793 million in total financing through December 31, 2015.

Table CA-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
7,700	$110.5 million	$10.7 million	$793.6 million	$103,000	7.2:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
70,336	2 FTEs	5 years	51%	1%	1. Retail Trade 2. Accommodation and Food Services 3. Transportation and Warehousing

**Includes funds expended for administrative costs*

[58] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Guarantee Program

IBank engages a network of nine Financial Development Corporations (FDCs) to market and underwrite guarantees on behalf of the SBLGP. The FDCs are nonprofit intermediaries that manage multiple government-backed credit enhancement programs under contract to federal and state agencies. Under the SBLGP, lenders receive a guarantee for up to 80 percent of a qualified loan, with a maximum guarantee amount of $2.5 million. While loan terms may be longer, the maximum term of a guarantee is seven years. The FDCs receive fee income (up to 3 percent of the guarantee amount plus a $250 documentation fee) for generating these guarantees. Once a guarantee is conditionally approved, IBank sets aside 20 percent of the guarantee amount in a pooled reserve.

Collateral Support Program

Under CalCSP, the CPCFA assigns a cash deposit to the lender as collateral for a small business loan. The cash collateral amounts vary from 20 percent to 50 percent based on the size, purpose, and maturity of the loan. Four categories of customers can access higher levels of support within this range: green businesses, manufacturing businesses, or businesses in economically distressed areas and small transactions between $50,000 and $250,000. The program manager assesses a fee up to $500 for each loan enrolled in the collateral support program, based on a percentage of the collateral support provided minus an amount associated with the incentive for economically distressed communities.

Capital Access Program

CalCAP requires the borrower and lender each to contribute to a reserve account with combined contributions ranging from 2 percent to 7 percent of the principal loan amount. CPCFA uses SSBCI funds to match the combined borrower and lender contributions on a one to one basis. Each borrower may enroll up to $2.5 million in loans over a three-year period.

Loan Participation Program

CalPACE is designed to focus on energy and water conservation improvements in commercial buildings. CalPACE is inactive since no qualified lender responded to the state's request for proposal for management of this program. CPCFA reapportioned the CalPACE allocation to other active SSBCI programs.

Credit Support Program Outcomes

California's credit support programs assisted businesses primarily in four sectors: retail trade, accommodation and food services, transportation and warehousing, and manufacturing. Through December 31, 2015, California's credit support programs expended $110.5 million to support 7,699 transactions and achieved a leverage ratio of 7.2 to 1. Businesses reported that these loans will help create or retain 70,321 jobs. Of the more than 7,699 total transactions, 3,933 were provided in low- and moderate-income (LMI) areas.

The SBLGP expended $50.4 million in original SSBCI funds, recycled $10.3 million, and achieved a leverage ratio of 8.4 to 1. Businesses reported that the SBLGP loans will help create or retain over 34,000 jobs. CalCSP expended $47.9 million for a leverage ratio of 2.8 to 1, and businesses reported that the loans will help create or retain 2,174 jobs. The SSBCI funds supported 113 CalCSP transactions, 44 of which were made to businesses in LMI areas. See Table CA-2 for additional credit support program outcomes.

CalCAP provided $12.2 million in SSBCI contributions and recycled amounts of $275,000 to loan loss reserves for credit enhancement of 6,592 transactions. These loans achieved a leverage ratio of 19.5 to 1 and businesses reported the loans will help create or retain over 32,000 jobs. CDFIs accounted for the majority of all CalCAP transactions. Community banks accounted for almost two-thirds of the dollars loaned to businesses.

SSBCI funding revived the SBLGP by providing new resources at a scale sufficient to attract lender attention and to engage the FDCs. As an example, IBank offered larger guarantee amounts that equate to additional fee income, more centralized state involvement in making guarantees, and provided leadership that allowed FDCs to expand their services to local lenders and small business borrowers.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- SSBCI's flexibility allowed the state to restructure its programs in response to changing market needs.
- California keeps administrative costs down and reduces the lender burden by allowing them to use their own application forms and their own processes to document loan decisions.
- Greater lender acceptance would likely result if a secondary market for SSBCI loans existed.
- High performing FDCs need greater flexibility in structuring larger loan transactions.
- Longer guarantee term limits on SBLGP loans (e.g., from 7 to 10 years) would make the program more competitive with other credit enhancement programs, but SSBCI leverage requirements require shorter terms to allow funds to recycle.
- Lender relationships are key. State funding cuts before the infusion of SSBCI capital meant that FDCs had stopped selling the state guarantee program to lenders. When SSBCI funding became available, the FDCs had to rebuild their network of financial institution partners.
- The state loan guarantee program provided 90 percent guarantees before SSBCI. The SSBCI 80 percent guarantee limit proved that a lower guarantee level would appeal to lenders and borrowers.
- The CalCSP reduced the amount of collateral support available per transaction in order to more efficiently use funds and to help sustain the program.
- The Governor's Reorganization Plan embedded the loan guarantee program in IBank, an entity suited to managing the program. This allowed the state to centralize the guarantee authority for greater accountability and allowed it to better meet borrower needs.

Colorado

PROGRAM PORTFOLIO OVERVIEW[59]

Using $17.2 million in SSBCI allocation, Colorado operates two credit support programs – a capital access program, Colorado Capital Access (CCA), that compliments the state's legacy capital access program and a new collateral support program, the Cash Collateral Support Program (CCSP).

The Colorado Economic Development Commission (CEDC) oversees the program and contracts with the quasi-public Colorado Housing and Finance Authority (CHFA) for implementation. CHFA is a statewide community and economic development lender with a strong record in raising tax-exempt and taxable capital for private-sector projects.

Table CO-1: Colorado's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Cash Collateral Support Program	Collateral Support	$16.9 million	Colorado Economic Development Commission
Colorado Capital Access	Capital Access	$300,000	Colorado Economic Development Commission

Combined Program Outcomes

Colorado supported 175 loans that generated almost $102 million in total financing through December 31, 2015.

Table CO-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
175	$16.3 million	$0	$102 million	$582,800	6.3:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
982	2 FTEs	4 years	45%	47%	1. Accommodation and Food Services 2. Health Care and Social Assistance 3. Manufacturing

**Includes funds expended for administrative costs*

[59] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Collateral Support Program

The CCSP augments the value of collateral pledged by small businesses to secure their loans. CHFA pledges a cash deposit with the participating bank lender to support the transaction. The amount of the cash deposit is equal to 25 percent of the loan amount or $250,000, whichever is less. The CCSP charges a 2.5 percent fee for minority and women owned businesses and a 3 percent fee for all others. After the initial 3-year term, there is a 1 percent fee for year four, and then an increasing annual fee up to 5 percent per year, for up to 7 years.

Capital Access Program

The CCA requires the borrower and lender each to contribute to a reserve account with combined contributions ranging from 2 percent to 7 percent of the principal loan amount. The state uses SSBCI funds to match the combined borrower and lender contributions on a one to one basis. Under this program, the maximum loan amount is $750,000. To make the CCA more attractive to lenders, the state allotted the remaining $300,000 in its legacy CAP to boost loans to minority- and women-owned business enterprises and to businesses located in Enterprise Zones. These loans receive an additional 25 percent in matching funds to CCA lender loan loss reserve accounts.

Credit Support Program Outcomes

Through December 31, 2015, CHFA expended over $16 million in SSBCI funds to support 175 transactions. The programs generated $102 million in total financing or $6.30 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain 982 jobs. See Table CO-2 for additional credit support program outcomes.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- The SSBCI program has reinforced longstanding relationships between CHFA and lenders throughout the state and underscores the importance of retaining communication strategies with lenders.
- At the outset of CCSP, limited maturities and high fees deterred lenders from participating in the program. Upon Treasury's recommendation, Colorado consulted with SSBCI program managers in Idaho and Michigan and subsequently made the following modifications to CCSP:
    - Eliminated a 5 percent upfront borrower fee and charged 2.5 to 3.0 percent for loans with initial terms of three years or less.
    - Allowed for a longer loan term. Under the original application, the maximum term allowed was three years.
    - Allowed for a larger, fixed cash deposit instead of the original graduated deposit amount at a lower level.
    - After the modifications were made, lender acceptance increased significantly demonstrating that a responsive state that is willing to work with Treasury and other states to improve program redesign is critical for program success.
- After a slow start for CCA, Colorado began using state funds to increase the match for CCA loans to minority- and women-owned business enterprises and borrowers operating in Enterprise Zones to incentivize lender participation although CCA utilization continues to be modest.
- Financial institutions noted that the ease and efficiency of submitting and closing loans were appealing features.

- Some financial institutions were concerned about the longevity of CCSP since it was perceived as a new government program.
- The legacy CAP was more attractive to lenders than the CCA because the lender was not required to match the borrower's contribution to the loan loss reserve account. As long as the legacy state program was available, lenders used that program until funds were expended or reallocated.
- Face-to-face meetings with banks were most effective, but that these meetings were more effective because the state banking commissioner and other regulatory authorities endorsed Colorado's SSBCI programs.

Connecticut

PROGRAM PORTFOLIO OVERVIEW[60]

Using $13.3 million in SSBCI allocation, Connecticut operates a new venture capital program called the Seed and Early Stage Investment Fund (SESIF). The state initially allocated SSBCI funds to support an existing capital access program (CAP), and later reapportioned CAP funding to SESIF.

Initially, the Connecticut Development Authority (CDA) managed the program on behalf of the Connecticut Department of Economic and Community Development (DECD). When CDA merged with Connecticut Innovations, Inc. (CII), CII became the state's authorized SSBCI administrator. CII is a body politic and nonprofit corporation created by the state in 1989 to support promising, early-stage technology businesses.

Table CT-1: Connecticut's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Connecticut Seed and Early Stage Investment Fund	Venture Capital	$13.3 million	Connecticut Innovations, Inc.
Connecticut Capital Access Program	Capital Access	$0	Connecticut Development Authority

Combined Program Outcomes

Connecticut supported 45 loans and investments that generated almost $52 million in total financing through December 31, 2015.

Table CT-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
45	$6.5 million	$0	$51.9 million	$1.15 million	8.0:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
692	6 FTEs	5 years	27%	4%	1. Retail Trade 2. Professional, Scientific, and Technical Services 3. Other Services (except Public Administration)

**Includes funds expended for administrative costs*

[60] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAM

Capital Access Program

The state initially allocated SSBCI funds to support an existing CAP. At nearly the same time (January 2012), Connecticut established a Small Business Express Program (SBEP) with state funds to target small businesses with fewer than 100 employees. SBEP used $150 million in initial funding to provide financing to the same size businesses and the same type of funding as Connecticut's SSBCI CAP. Early on, the program manager noted the low usage of funds by the SSBCI CAP, and in August 2014, Connecticut reapportioned all but $200,000 of its allocation to SESIF. In September 2015, DECD unenrolled its capital access program transactions and Connecticut reapportioned the remaining $200,000 to SESIF.

Credit Support Program Outcomes

DECD enrolled 35 loans that generated almost $6 million in total financing. DECD marketed CAP loans to all banks, regardless of size, throughout the state. DECD was able to sign up a number of banks to participate. However, enrolled banks did not make very many loans leading to a reapportionment of all CAP funds.

Table CT-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
35	$183,500	$0	$5.8 million	$166,100	31.7:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
492	5 FTEs	3 years	23%	6%	1. Retail Trade 2. Other Services (except Public Administration) 3. Construction

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- In discussions with regional or national banks, it was evident that the banks want consistent program policies and procedures in each state where the financial firm operates. Thus, many regional and national banks viewed the SSBCI program as overly complicated because the programs differed from state to state. Banks noted that SBA programs streamlined policies and procedures across states, making them simpler to execute for multi-state institutions.
- A financial institution must disburse a significant amount of loans in order to handle a loan loss. The program manager reports that the 10 percent reserve amount, slim net margins associated with small business lending for loans under $500,000, and the associated fees made the CAP less enticing to banks even though CDA provided a 30 percent supplemental guarantee on all enrolled transactions.

VENTURE CAPITAL PROGRAM

Connecticut has a track record of allocating state funding to venture investment programs and venture development programs managed by CII. Having an existing small business investment portfolio in place allowed the program manager to examine investing gaps in the state's capital continuum. CII targeted the range from seed to the expansion stage investments. The creation of the SESIF enabled CII to address this financing gap.

Venture Capital Program Design and Operations

CII often serves as the lead investor for early-stage investment rounds, setting deal terms and working to attract additional private investment. The availability of venture capital, particularly early-stage venture capital, is limited in Connecticut. Therefore, CII seeks co-investment from individual angel investors, strategic investors, family office entities, and other state capital programs.

Figure CT-4: SESIF Program Structure

Connecticut Department of Economic and Community Affairs
Official State Applicant

Connecticut Innovations Inc.
Contracted Private, Non-profit Investment Manager

Connecticut Seed and Early Stage Investment Fund
A New State Venture Capital Program

SSBCI funds are invested by contracted private, non-profit investment manager into eligible Connecticut small businesses

Venture Capital Program Outcomes

SESIF became operational in August 2014. As of December 31, 2015, SESIF expended over $6 million or 47 percent of its $13.3 million allocation, generated $46 million in new investment or $7.30 in new capital for every $1 in SSBCI funds expended. Businesses have reported that the 10 SSBCI investments will help create or retain 200 jobs.

Table CT-5: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
10	$6.3 million	$0	$46.0 million	$4.60 million	7.3:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
200	13 FTEs	6 years	40%	0%	1. Professional, Scientific, and Technical Services 2. Retail Trade 3. Wholesale Trade

**Includes funds expended for administrative costs*

At the conclusion of SSBCI, CII will maintain control of investment returns for future capital deployment into Connecticut-based small businesses with a focus on providing a comprehensive portfolio of capital programs filling identified gaps in the state's financing lifecycle.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- The state looked to address an unmet need in Connecticut for early-stage, equity-based financing by contracting with a trusted economic development partner. The investment manager communicated that with significant state funding in place (CII invests more than $20 million of state resources per year in small businesses), it can take time to identify the best fit and right strategy to invest additional funding.
- The investment manager learned the importance of working through SSBCI program requirements, such as certification and reporting requirements, up front with investees to ensure appropriate compliance.
- Investment concentration was expected around the Hartford, New Haven, and Stamford communities. However, small business investments were also made in more rural areas.

Delaware

PROGRAM PORTFOLIO OVERVIEW[61]

Using $13.2 million in SSBCI allocation, Delaware operates two credit support programs. The state used SSBCI to expand a pre-existing capital access program (CAP), the Delaware Access Program, and reinvigorate a loan participation program (LPP), the Delaware Strategic Fund (DSF) Participation and Loan Program.

The Delaware Economic Development Office (DEDO), the state's lead economic development agency, implements the programs through its Delaware Economic Development Authority (DEDA).

Table DE-1: Delaware's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
DSF Participation and Loan Program	Loan Participation	$12.2 million	Delaware Economic Development Office
Delaware Access Program	Capital Access	$1 million	Delaware Economic Development Office

Combined Program Outcomes

Delaware supported 110 loans that generated $59 million in total financing through December 31, 2015.

Table DE-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
110	$8.4 million	$0	$59.1 million	$537,300	7.1:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,463	3 FTEs	3 years	30%	25%	1. Accommodation and Food Services 2. Retail Trade 3. Health Care and Social Assistance

[61] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Participation Program

Under the DSF Participation and Loan Program, the program manager buys up to 50 percent participations on either an equal or subordinate basis for transaction with maturities up to five years. The state funds are provided at below-market interest rates. While the maximum participation amount provided to date has been $1 million, the program manager targets participations of $200,000. On average, purchase participations have ranged between 20 percent and 30 percent of the total loan amount.

Capital Access Program

The Delaware Access Program requires the borrower and lender each to contribute to a reserve account with combined contributions ranging from 2 percent to 7 percent of the principal loan amount. The state uses SSBCI funds to match the combined borrower and lender contributions on a one to one basis. For certain types of borrowers, Delaware will provide additional matching funds. Using state money to supplement the loan loss reserve, the program manager can contribute up to five times the combined borrower/bank contribution for loans made to minority- and women-owned business enterprises and other targeted businesses.

The state subsidizes SSBCI by paying administrative costs through general funds and using SSBCI administrative allocations for program activities.

Credit Support Program Outcomes

Through December 31, 2015, Delaware's credit support programs used $8.4 million in SSBCI funds to support 110 loans that generated $59 million in total financing or $7.10 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will create or retain 1,463 jobs. See Table DE-2 for additional credit support program outcomes.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Given the small size of the state and the program manager's strong pre-existing relationships with local lenders, DEDO did not initially focus on marketing. Declining SSBCI loan volume during 2013-2014 caused DEDO to rethink this approach and hold workshops and symposiums with lenders and retain a direct-marketing consultant. Applications picked up subsequently.
- The state offers a simple six-page loan participation agreement, which helps in the application process.
- Delaware structured its LPP so that lenders would find the approval process easy. The program's demand improved after the program manager increased the LPP participation amount to 50 percent, agreed to do subordinate participations, and established a delegated loan approval process eliminating the need for loan approval at monthly public meetings for loans less than $500,000.
- The program manager implemented SSBCI with existing staff that have long tenures in state government. In the case of the CAP, the SSBCI program is a continuation of an existing state program. In the case of the LPP, the SSBCI program is functionally new, but it is embedded in an agency that has had a loan program since 1994. Thus, neither the staff nor its financial institution partners had to create/learn new programs or agencies.

District of Columbia

PROGRAM PORTFOLIO OVERVIEW[62]

Using $13.2 million in SSBCI allocation, the District of Columbia (the District) operates a venture capital program, the Innovation Finance Program (IFP), and two credit support programs, the District of Columbia Loan Participation Program (DLPP) and the District of Columbia Collateral Support Program (CSP). In 2012, the District also created a capital access program which was subsequently closed down after a lack of interest from local banks. With the SSBCI program portfolio, the District sought to create jobs specifically for District residents, spur business activity in census tracts with high poverty, and diversify the tax base with new non-government industry revenues.

The District's Department of Insurance, Securities and Banking (DISB), which regulates financial-service businesses and administers insurance, securities, and banking rules and regulations, manages the program. The District had not offered a small business credit enhancement program in the past.

Table DC-1: District of Columbia's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
D.C. Collateral Support Program	Collateral Support	$5.8 million	Department of Insurance, Securities and Banking
D.C. Loan Participation Program	Loan Participation	$4.4 million	Department of Insurance, Securities and Banking
Innovation Finance Program	Venture Capital	$3 million	Department of Insurance, Securities and Banking

Combined Program Outcomes

The District of Columbia supported 22 loans and investments that generated almost $14 million in total financing through December 31, 2015.

Table DC-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
22	$5.9 million	$0	$13.5 million	$615,800	2.3:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
644	8.5 FTEs	7.5 years	45%	0%	1. Construction 2. Accommodation and Food Services 3. Health Care and Social Assistance

**Includes funds expended for administrative costs*

[62] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Collateral Support Program

The District's CSP provides a pledged asset (in the form of a cash collateral account) to an enrolled lender in order to enhance the collateral coverage of a small business borrower that is otherwise qualified but unable to meet the lender's security requirements. The CSP targets credits that are "bankable" but for inadequate collateral. The amount of collateral support is limited to 50 percent of the original principal amount of the loan. The maximum collateral deposit that DISB will make per borrower is $1 million. DISB reduces the cash collateral account proportionately with the principal reduction of the loan, on an annual basis or sooner if the loan is paid off. DISB can charge a closing fee of up to 4 percent of the cash collateral account balance for participation in the CSP along with an annual fee of up to 4 percent of the annual cash collateral account balance. The CSP has proven particularly useful in facilitating deals that involve service oriented businesses and construction contractors.

Loan Participation Program

The DLPP provides for the purchase of a participation of up to 50 percent of a loan originated by a financial institution. DISB charges a 1 – 2 percent fee of the DLPP amount and shares proportionately with the bank interest income from the loan.

Credit Support Program Outcomes

Through December 31, 2015, the District's credit support programs supported 21 loans through the CSP that generated over $13 million in total financing from $5.9 million in SSBCI funds or $2.30 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain 636 jobs.

Table DC-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
21	$5.8 million	$0	$13.4 million	$637,500	2.3:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
636	9 FTEs	8 years	43%	0%	1. Construction 2. Accommodation and Food Services 3. Health Care and Social Assistance

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Running the SSBCI programs out of the DISB provides a regulatory environment that values compliance and gives SSBCI a ready audience in the banking community.
- The program manager has reached out to the banking community to spur involvement in the newly established SSBCI programs. This has been an important strategy for success as there are many small community banks and CDFIs in the District that have a history of community development lending.

- When the District's SSBCI programs initially started, borrowers were required to be "Certified Business Enterprises" to receive assistance. This CBE process was to certify that the business was a District of Columbia local small business and was done by the Department of Small and Local Business with an approximate forty-five day turnaround time. In 2014, there was a regulatory change that permits all small businesses in the District to participate. Once this requirement was removed, program activity accelerated.
- The main problem in getting the SSBCI program off the ground was realizing that CAP was not going to work. Bigger regional banks with higher loan volumes opted not to use it. The program manager then had to invest the time and effort to have the District's SSBCI program restructured as a CSP. Once Treasury approved the CSP, DISB was able to hire program staff that were more successful in funding transactions.
- Initial loans made through the CSP are larger than anticipated and required a higher CSP participation than anticipated (30 – 50 percent). DISB will have to reduce the CSP participation in future loans and/or turn CSP loans over more quickly than anticipated to reach the overall leverage ratio expectation of at least 10 to 1.
- The District's primary purpose in introducing the DLPP was to increase program income and enhance the sustainability of their SSBCI program. However, the District has yet to enter into a DLPP transaction. Bankers find the CSP more appealing than DLPP because they can keep 100 percent of the collateralized asset.

VENTURE CAPITAL PROGRAM

The District's IFP is a new venture capital program created by an allocation of $3 million in SSBCI funding (out of $13.2 million total) through an agreement modification. The IFP is a co-investment fund that matches private investment, up to 50 percent of the financing round, for qualified small business investments in the district on a transaction-by-transaction basis.

DISB administers the program and designed it to stimulate private investment in a way that addresses small business financing needs not being met by equity-based investors and traditional depository lenders. The IFP aligns with the economic development goals of the District of Columbia, which include job creation, forming and locating businesses in the district, developing distressed areas, and industry diversification.

Venture Capital Program Design and Operations

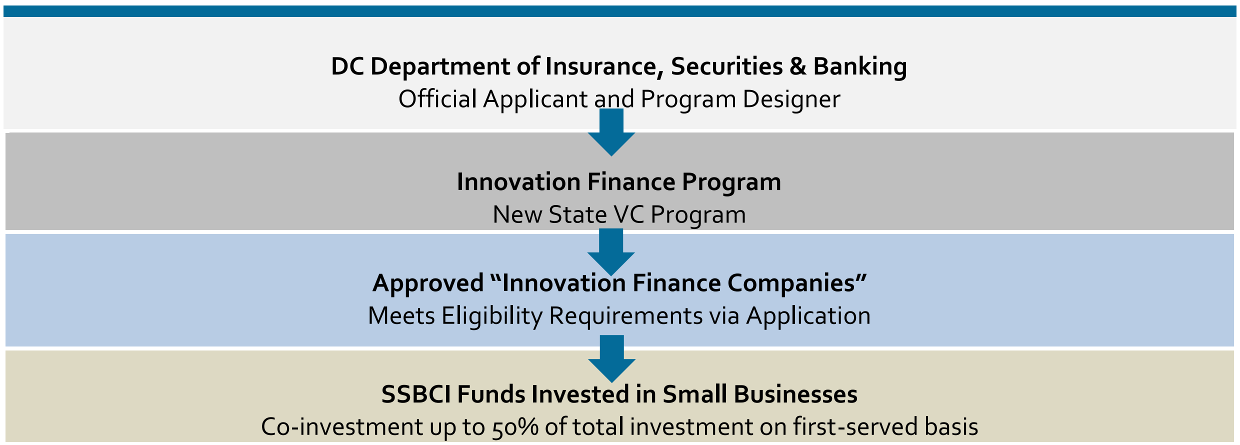
The program manager's strategy was to fill an identified void in the financing lifecycle with public co-investments that offer moderate risk for moderate returns. Matching SSBCI funds may be used to invest in qualified small businesses that are non-public businesses registered and taxed in the District, have leased or deeded principal offices in the district, have 75 percent of employees work in the District, and at least 25 percent of the company's workforce as District residents.

The IFP relies on the private sector for making investment decisions and determining the structure and terms of investments. The IFP disburses matching SSBCI funds as co-investment alongside approved Innovation Finance Companies (IFCs), with IFC eligibility requirements defined by DISB. Once an IFC submits an investment opportunity, DISB checks for SSBCI program compliance and proceeds with disbursing the requested matching capital, up to the designated limit. DISB maintains program oversight responsibility by reviewing and monitoring IFP-enrolled investments for compliance with SSBCI rules and guidelines and by ensuring that the investments meet the District's economic development goals. Potential investment structures anticipated by the program manager include debt, convertible debt and priced equity rounds. Any equity positions in private businesses from SSBCI investment activities will be held in a sidecar fund established by DISB.

The IFCs that are eligible to participate as co-investors include CDFIs, small business investment companies (SBICs), business development companies (BDCs), double bottom line funds (DBLFs), and other private investment entities with at least $5 million of investment capital. To participate in the program, IFCs must enter into a participation agreement with DISB. The agreement governs reporting and program investment eligibility requirements. The IFC application process is open and conducted on a rolling basis as new applications are submitted.

The District shares in financial returns to incentivize investor participation. For participating IFCs, in addition to its own pro rata share in the total return on investment (ROI) on a performing investment, the private investor receives between 25 and 40 percent of the District's pro rata share of the total ROI. In the event of a financial loss scenario, the private investor and DISB share the loss on a pari passu basis. The IFP co-investment must be $500,000 or less and cannot exceed 50 percent of total capital invested.

Figure DC-4: IFP Structure



Venture Capital Program Outcomes

The venture capital program, which began operating in September 2014, funded one investment as of December 31, 2015.

Table DC-5: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
1	$50,000	$0	$160,000	$160,000	3.2:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
8	8 FTEs	1 year	100%	0%	Retail Trade

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- DISB communicated the operational challenge of effectively marketing the venture capital program to potential investees and private co-investors.

- DISB recommends overcoming this operational challenge by partnering with regional partners like venture development organizations for outreach about the program and to customize messages for different audiences like small business development centers, chambers of commerce, and angel investor networks.

Florida

PROGRAM PORTFOLIO OVERVIEW[63]

Using $97.7 million in SSBCI allocation, Florida operates four credit support programs and a venture capital program. Florida's Department of Economic Opportunity (DEO) contracts with Florida Export Finance Corporation to administer the Florida Export Support Program (FLESP) and with Enterprise Florida, Inc. (EFI) to oversee the Loan Guarantee Program, Loan Participation Program, and Venture Capital Program. Only the export guarantee program was operational when Florida initially designed its SSBCI programs.

The DEO helps the governor advance the state's economy by championing an established economic development vision and directly administers the Florida Capital Access Program (FL CAP). EFI, the state-created nonprofit that serves as Florida's primary economic development organization, manages the Loan Guarantee Program on behalf of DEO. Florida First Capital Finance Corporation, a statewide certified development corporation and the state's largest SBA 504 lender, manages the Loan Participation Program under a contract with EFI. Florida First Partners (FFP), a private for-profit joint venture partnership of Arsenal Venture Partners and Credit Suisse, manages the Venture Capital Program also under contract with EFI.

Table FL-1: Florida's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Loan Participation Program	Loan Participation	$32 million	Florida First Capital Finance Corporation
Loan Guarantee Program	Loan Guarantee	$15 million	Enterprise Florida, Inc.
Florida Export Support Program	Loan Guarantee	$5 million	Florida Export Finance Corporation
Florida Capital Access Program	Capital Access	$2 million	Florida Department of Economic Opportunity
Venture Capital Program	Venture Capital	$43.5 million	Florida First Partners

Combined Program Outcomes

Florida supported 200 loans and investments that generated $298 million in total financing through December 31, 2015.

Table FL-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
202	$70.0 million	$12.7 million	$298.1 million	$1.48 million	4.3
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
3,658	5 FTEs	4 years	37%	3%	1. Information 2. Manufacturing 3. Accommodation and Food Services

**Includes funds expended for administrative costs*

[63] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Participation Program

Florida First Capital Finance Corporation uses SSBCI funds to buy a participation from the lead bank that will be taken out by the closing of an SBA 504 real estate and equipment loan – generally 40 percent of the total financing. A subordinated SSBCI loan participation (typically between $250,000 and $5 million) is limited to a maximum 6-month term. However, Florida First Capital Finance Corporation has extended loan terms to 24 months for new construction.

Loan Guarantee Program

Florida's Loan Guarantee Program provides a guarantee of up to 50 percent or $1,000,000, whichever is less. The program leverages the guarantee reserve at no more than a three to one basis (i.e., $1 of guarantee reserve for every $3 guaranteed). While the lender is free to set the terms and conditions for the loan, the maximum guarantee provided is three years. The up-front fee is 1.5 percent of the guaranteed amount and an annual fee of 1 percent of the guaranteed amount is assessed. While the program targets loans between $250,000 and $5 million, smaller loans are considered on a case-by-case basis. Prior to September 30, 2013, Florida guaranteed amounts greater than $1 million, but established the maximum of $1 million per transaction to improve program sustainability.

Export Support Program

The Florida Export Support Program (FLESP), an export loan guarantee program, is intended to guarantee loans to exporters to finance small ($200,000 to $300,000), short-term purchase orders. It reaches exporters who do not qualify for the Export-Import Bank or Small Business Administration export financing and is intended to help small, young exporting businesses to become bankable. Florida Export Finance Corporation (FEFC) charges a 3 percent guarantee fee. FEFC has operated a similar export guarantee program since 1993.

Capital Access Program

Florida's CAP requires the borrower and lender each to contribute to a reserve account with combined contributions ranging from 2 percent to 7 percent of the principal loan amount. DEO uses SSBCI funds for a one to one match of the combined borrower and lender contributions. The CAP has been used on a limited basis as the agency continues efforts to find partner lenders.

Credit Support Program Outcomes

Florida expended 90 percent of its allocation to credit support programs through December 31, 2015, and generated $185 million in total financing or $3.80 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain over 2,500 jobs. Florida primarily monitors program impact based on private financing generated and job creation and retention.

Table FL-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
158	$48.4 million	$12.7 million	$184.7 million	$1.17 million	3.8:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
2,530	3 FTEs	4 years	30%	4%	1. Accommodation and Food Services 2. Wholesale Trade 3. Construction

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- The simplicity of Florida's programs appeals to lenders.
- Fast turnaround time (five to 10 working days) for applications is achieved with minimal additional documentation.
- Lenders show greater interest in programs that guarantee payments within 120 days in the event of loan default.
- Loan participations can be subordinated and are usually short-term (between six and 18 months).
- Programs that complement existing state initiatives are easier to sell to lenders, e.g., SSBCI export guarantee program as modified is virtually identical to the legacy state program.
- In commercial banking, institutions relate best to program managers who are former finance professionals with extensive lending experience.
- Program champions, generally a loan officer who may benefit financially from increased small business loan production, help the program achieve acceptance by lenders.
- SSBCI credit support programs are best positioned as alternatives and complements to existing federal credit enhancement programs, not as competition.
- Credit support programs require meaningful credit-risk exposure for lenders to assure sufficient overall credit quality.
- One reason that the CAP was not attractive to CDFI lenders in the state is that many indicated that they felt left out of the dialogue during the program's initial design phase.

VENTURE CAPITAL PROGRAM

The Florida Venture Capital Program (FLVCP) is a third-party managed investment vehicle with allocation of $43.5 million in SSBCI funds. The FLVCP was designed to support the capital needs of early-stage Florida businesses through initial and follow-on financing rounds. The FLVCP aims to support early-stage, high-growth potential small businesses and improve perceptions about Florida investment opportunities in the national venture capital community. Early-stage is broadly defined to include pre-revenue to below $5 million in revenue, with the investment manager having the ability to invest outside this range for strategic transactions.

Venture Capital Program Design and Operations

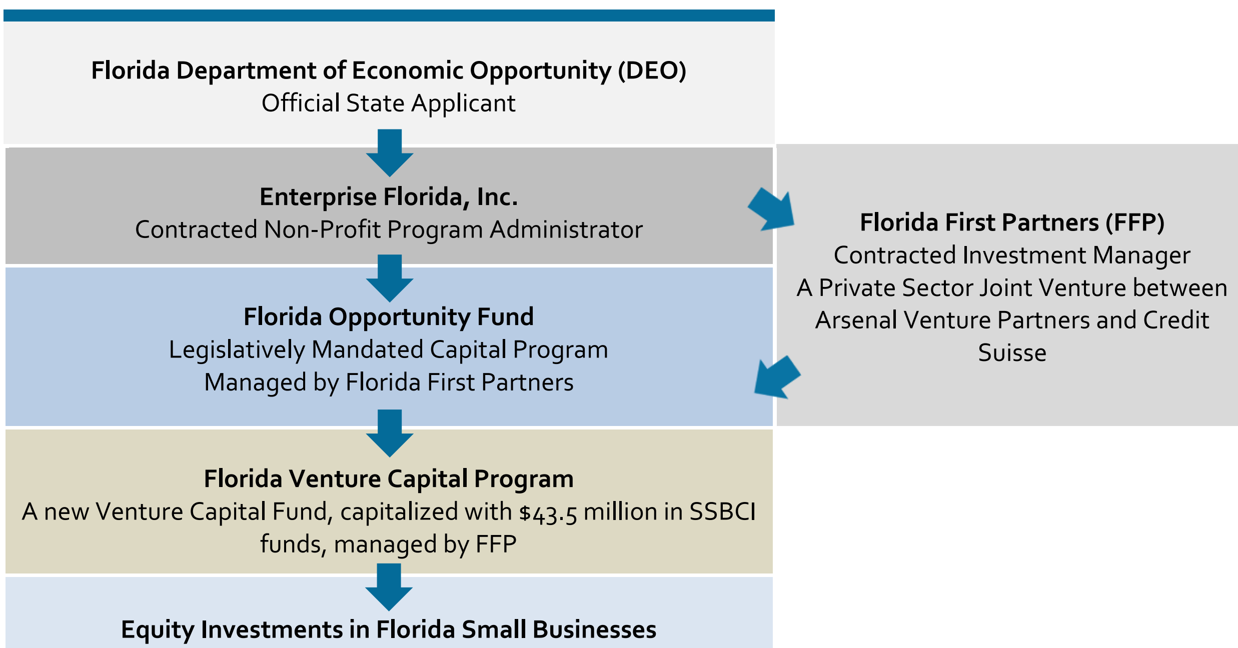
EFI administers Florida's SSBCI venture capital program (FLVCP) because it had existing operational capacity to support capital formation strategies when the federal funding became available. The commitment of federal funding support at significant scale allowed for the creation of the FLVCP. EFI contracted with a private third-party investment manager (Florida First Partners) to provide the requisite expertise and professional networks to make equity-based investments. Florida designed the single investment vehicle structure to make a small number of investments and support the capital needs of small businesses through follow-on financing rounds. EFI and Florida First Partners operate the FLVCP as a direct investment program (see Figure FL-1) under the umbrella of the Florida Opportunity Fund (FOF).

The Florida legislature created the FOF to realize significant long-term capital appreciation by investing in high-quality venture capital funds, businesses and infrastructure projects that will provide lasting benefit to Florida. The FOF is governed by an independent Board of Directors and is currently comprised of direct investment (including the FLVCP) and fund of funds programs that were capitalized with state and federal resources.

FFP, a joint venture between Arsenal Venture Partners, Inc. and GCM Customized Fund Investment Group, manages the FOF program portfolio. FFP's responsibilities include sourcing deals, performing due diligence, closing investment transactions, and managing and supporting the growth of FOF investees. All FOF investment recommendations must be presented to and approved by its Board of Directors.

Florida designed the FLVCP to maximize financial returns by operating as similar as possible to a privately financed early-stage venture fund. By placing a specific emphasis on financial returns alongside economic development returns, EFI and the FOF aim to demonstrate the viability of Florida's entrepreneurial ecosystem to private investors and attract more private investment to Florida.

Figure FL-4: Florida Venture Capital Program Funds Flow and Program Structure



Venture Capital Program Outcomes

As of December 31, 2015, the FLVCP expended almost $22 million or 50 percent of the $43.5 million allocation, and generated over $113 million in new investment or $5.3 in new capital for every $1 in SSBCI funds spent. Businesses reported that the 44 investments will help create or retain over 1,100 jobs.

Table FL-5: Venture Capital Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
44	$21.6 million	$0	$113.4 million	$2.58 million	5.3:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,128	13 FTEs	4.5 years	61%	0%	1. Information 2. Manufacturing 3. Finance and Insurance

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- The FLVCP is unique in the overall SSBCI venture capital program portfolio as a newly created investment fund, 100 percent capitalized with SSBCI funds, at a sufficient scale to participate in follow-on financings of portfolio businesses. Specifically, the FLVCP reserves capital to participate in follow-on investment rounds for all FLVCP portfolio businesses, which is the common practice for private funds aiming to maximize financial returns. This approach, however, is not as common for state-sponsored funds with limited resources and economic development priorities. State program managers recommend communicating this market-standard investment strategy to public stakeholders early in the program implementation phase to set clear expectations on how and when capital will be deployed to small businesses.
- A critical success factor to operating a third-party managed fund is identifying a private investment manager with the right mix of expertise, ecosystem knowledge and professional connections to manage investment decisions and attract private capital. The contracted investment manager for the FLVCP, Florida First Partners, brought an impressive operating history and meaningful connections to the program that contribute to program success.
- Having strong board leadership at the organizational level of the program manager, EFI is important to build market credibility and establishing consistency in operations.
- FLVCP managers learned how to operate under robust sunshine laws in Florida while maintaining the privacy of confidential information that potential investees do not want disclosed to potential competitors.
- A single third-party managed fund can be an effective private capital formation strategy and economic development tool, but the fund must be of sufficient size if financial performance is important to achieving program objectives.

Georgia

PROGRAM PORTFOLIO OVERVIEW[64]

Using $47.8 million in SSBCI allocation, Georgia operates four credit support programs – the Georgia Capital Access Program (GCAP), two loan participation programs – the Georgia Loan Participation Program (GA LPP), and Georgia Funding for CDFIs, and a hybrid loan guarantee/risk reserve pool program – the Georgia Small Business Credit Guarantee Program (SBCG).

The Georgia Department of Community Affairs (DCA) manages the program. DCA is a state agency that whose mission is to spur private job creation, implement planning, develop downtowns, and generate affordable housing solutions.

Table GA-1: Georgia's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Georgia Funding for CDFIs	Loan Participation	$20 million	Georgia Department of Community Affairs
Georgia Loan Participation Program	Loan Participation	$8 million	Georgia Department of Community Affairs
Georgia Small Business Credit Guarantee Program	Loan Guarantee	$17.8 million	Georgia Department of Community Affairs
Georgia Capital Access Program	Capital Access	$2 million	Georgia Department of Community Affairs

Combined Program Outcomes

Georgia supported 371 loans that generated $203 million in total financing through December 31, 2015.

Table GA-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
371	$33.1 million	$480,000	$203.3 million	$548,000	6.1:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
3,167	4 FTEs	5 years	33%	10%	1. Professional, Scientific, and Technical Services 2. Manufacturing 3. Construction

**Includes funds expended for administrative costs*

[64] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Participation Programs

Georgia Funding for CDFIs: This program uses a network of nonbank CDFIs to source, underwrite, close, and service loans on behalf of the program manager. Under the program, CDFIs make subordinate "companion" loans of up to 50% of a debt financing. DCA maintains control of SSBCI funds at all times, makes the final credit decision, and all loan agreements are between the CDFI and the borrowers. Credit support is targeted towards loans with an average principal amount of $5 million or less. Once deployed, the CDFI is able to re-use the recycled principal for small business loans and retain any fee or interest income for eligible administrative expenses. When the SSBCI program ends, the CDFIs will retain all program funds for small business lending.

GA LPP: DCA will purchase up to 25 percent of a loan with its collateral interest being in second position. The maximum participation amount under the GA LPP is 25 percent up to $5 million; thus, DCA's maximum position is $1.25 million. Loans exceeding $5 million up to $20 million are capped at a participation amount of $1,250,000. The lender is not charged a fee but shares a proportional amount of monthly principal and interest payments with DCA. The financial institution is responsible for servicing the loan.

Loan Guarantee Program

Under the SBCG program, lenders can choose from two guarantee products. The first is a traditional guarantee of 50 percent. DCA charges a 2 percent guarantee fee at closing.

The second product, the Risk Reserve Pool (RRP), is a CAP-like portfolio insurance arrangement in which Georgia funds a loan loss reserve specific to each lender in an amount equal to 10 percent of each enrolled loan. So long as balances remain in the loss reserve, the lender can offset up to 80 percent of the loss on any transaction. After credits mature or retire from the program, the lender has a 120-day period to re-use the reserve funds, after which the funds may recouped by the state to support another lender's activity. DCA charges a $100 processing fee and a 0.5 percent annual fee.

Two non-profit associations, one of credit unions and another of banks, are the SBCG's highest users. They participate through the online trade credit finance company NOWaccount.

Capital Access Program

Georgia has not expended or obligated any allocated funds under GCAP.

Credit Support Program Outcomes

Through December 31, 2015, Georgia's SSBCI funds supported 371 transactions and generated $203 million in total financing or $6.10 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain over 3,100 jobs. Businesses in low- and moderate-income communities received 33 percent of the total number of loans and 39 percent of total dollar volume. Professional, Scientific, and Technical Services businesses accounted for roughly one-third of the total number of transactions. See Table GA-2 for additional credit support program outcomes.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Georgia tracks the geographic reach of its programs. As of September 30, 2015, Georgia SSBCI had a presence in 60 of the 159 counties in Georgia. Approximately 42.4 percent of loans were for minority- and women-owned business enterprises, and 6.7 percent for veteran owned businesses.
- The outcomes by program vary substantially. TCGC and SBCC finance very short term smaller dollar loans compared to the participation programs.
- Georgia actively partnered with the CDFI community in order to assist in reaching the underserved populations in Georgia. At the end of 2015, the CDFIs had 49 percent of their total number of loans and 44.5 percent of their total dollars in LMI areas. As of September 30, 2015, 41.4 percent of CDFI loans were for minority- and women-owned businesses and 8.6 percent for veteran-owned businesses.
- The success of the programs is due to a number of factors including the continuing consultation between DCA and the Georgia Bankers Association (GBA) as well as banking regulators.

Guam

PROGRAM PORTFOLIO OVERVIEW[65]

Using $13.1 million in SSBCI allocation, Guam operates three credit support programs – the Guam Capital Access Program (CAP), the Guam Loan Guarantee Program (LGP), and the Guam Loan Participation Program (LPP).

The Office of the Governor implements the programs through the Guam Economic Development Authority (GEDA), a public corporation with broad authority to undertake economic development initiatives on behalf of the territory.

Table GU-1: Guam's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Guam Credit Guarantee Program	Loan Guarantee	$9.9 million	Guam Economic Development Authority
Guam Loan Participation Program	Loan Participation	$2.6 million	Guam Economic Development Authority
Guam Capital Access Program	Capital Access	$658,400	Guam Economic Development Authority

Combined Program Outcomes

Guam supported 41 loans that generated $10 million in total financing through December 31, 2015.

Table GU-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
41	$5.8 million	$0	$10 million	$243,400	1.7:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
785	3 FTEs	1 year	32%	93%	1. Accommodation and Food Services 2. Retail Trade 3. Professional, Scientific, and Technical Services

**Includes funds expended for administrative costs*

[65] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Guarantee Program

The LGP guarantees up to 75 percent of a maximum $500,000 loan. Of the 75 percent guarantee, GEDA is required to set aside 20 percent cash in a reserve account at the bank. The maximum term on the loan is seven years, with a 10 year amortization. There is a one-time fee of 2 percent of the total loan amount, with no annual fee.

Loan Participation Program

The LPP allows the program manager to purchase up to 40 percent from a lender on new economic diversification projects that demonstrate short-term cash flow deficiency. The program manager can offer preferred terms (no interest and/or principal) for up to 36 months.

Capital Access Program

The CAP requires the borrower and lender each to contribute to a reserve account with combined contributions ranging from 2 percent to 7 percent of the principal loan amount for loans of up to $200,000. GEDA uses SSBCI funds on a one to one basis to match the borrower and lender contributions to the reserve account.

Credit Support Program Outcomes

Through December 31, 2015, GEDA expended $5.8 million in SSBCI funds to support 41 loans, and generated $10 million in total financing or $1.70 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain more than 700 jobs. Accommodation and food services, retail trade, and professional, scientific, and technical services represent more than half of the industries of borrowers who received loans. As of December 31, 2015, only one relatively small loan has defaulted, representing less than 1 percent of the portfolio. See Table GU-2 for additional credit support program outcomes.

As of December 31, 2015, Guam has not deployed funds through its LPP or CAP. The commercial lenders in Guam are commercial banks and credit unions. With the exception of Bank of Guam, off-island banks, primarily from Hawaii, manage the territory's banks. Banks tended to prefer the LGP over the LPP and CAP.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- SSBCI demonstrates that the federal government can effectively cooperate with the territorial government on some issues, an unusual view in Guam given local perceptions that the federal government typically prescribes solutions with limited local input.
- Only two local banks have been willing to become engaged in the program despite several banks enrolling early in the program's tenure.
- Banks value the guarantee on the LGP as a way to reduce their risk significantly on small business loans.

Hawaii

PROGRAM PORTFOLIO OVERVIEW[66]

Using $13.2 million in SSBCI allocation, Hawaii operates a venture capital program – the Hawaii Venture Capital Investment Program (HVCIP).

Hawaii Strategic Development Corporation (HSDC) manages the HVCIP. The state legislature established HSDC in 1990 with a mission to promote economic development and economic diversification. HSDC uses SSBCI funds to strengthen strategic efforts that create a venture capital industry in Hawaii. Without any active Hawaii-based venture funds and due to Hawaii geographic isolation from mainland venture investment hubs, HSDC designed the program to support the creation of new Hawaii-based investment funds capable of serving Hawaii's early-stage businesses and making strategic connections to more private investors.

Table HI-1: Hawaii's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Hawaii Venture Capital Investment Program	Venture Capital	$13.2 million	Hawaii Strategic Development Corporation

Program Outcomes

Hawaii supported 76 investments that generated $74 million in total financing through December 31, 2015.

Table HI-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
77	$3.4 million	$0	$74.1 million	$962,300	21.8:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
331	3 FTEs	<1 year	23%	13%	1. Information 2. Professional, Scientific and Technical Services 3. Retail and Wholesale Trade

**Includes funds expended for administrative costs*

[66] *All data and program descriptions presented here are as of December 31, 2015.*

VENTURE CAPITAL PROGRAM

Through December 31, 2015, Hawaii expended over $3 million in SSBCI funds to support 76 small business investments that have generated over $70 million in total financing (see Table HI-2).

Hawaii designed the HVCIP as a key component of a startup movement in Hawaii branded "Startup Paradise" – a shared vision by stakeholders in the state's innovation ecosystem to position Hawaii as a great location to live and launch innovative businesses. Hawaii implements the HVCIP through intermediary investment firms, with the investment managers directing investment strategy and investment terms. Although some variation is possible, the participating investment managers target seed to early-stage businesses in the form of equity or convertible debt investments. HSDC supports the investment funds as a Limited Partner investor in each fund, participating in any financial returns on similar terms to private investors. The contracted investment funds are summarized below in Table HI-3.

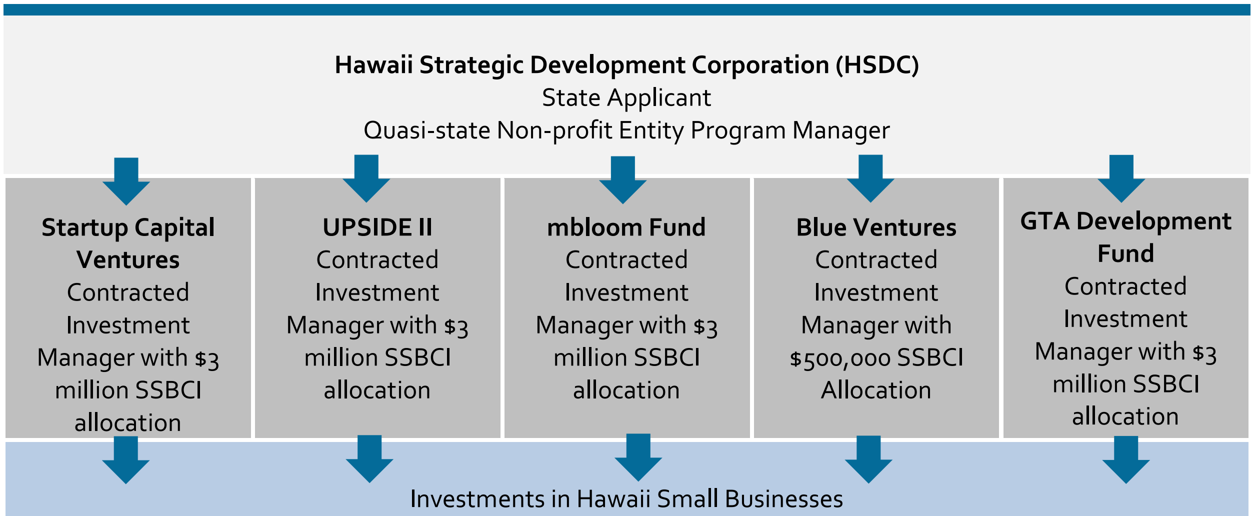
Table HI-3: HVCIP Investment Funds

Investment Fund Name	SSBCI Allocation	Fund Characteristics
Startup Capital Ventures	$4 million	$25 million early-stage investment fund focused on software businesses with offices in California and Hawaii
UPSIDE II	$3 million	$6 million seed stage investment fund focused on university tech transfer/research commercialization
Blue Ventures Blue Ventures II	$0.5 million $0.65 million	$1 million seed and $1.54 million early stage investment funds associated with the Blue Startups Venture Accelerator
mbloom Fund	$3 million	$10 million seed and early stage technology investment fund
GTA Development Fund	$0.5 million	$1 million seed stage investment fund associated with the GVSI Transmedia Accelerator focused on media/content businesses
EEX Fund One (pending)	$1.5 million	$2.5 million seed stage investment fund associated with the Energy Excelerator an accelerator focused on clean tech businesses

Private co-investors include angel investors, corporate investors, and institutional investors in Hawaii and venture investors outside of Hawaii. Three of the selected investment funds are associated with business accelerator programs that provide a consistent source of potential seed-stage investment opportunities.

By focusing on early-stage funds investing in young businesses, the program manager implemented a comprehensive strategy to include intensive small business support and "hands on" mentoring by the private investors to help facilitate second stage financings by larger, more established venture capital funds outside of Hawaii.

Figure HI-4: HVCIP Structure



Venture Capital Program Outcomes

Through December 31, 2015, HSDC's 76 investments have generated about $74 million in total financing or $21.7 in new capital for every $1 in SSBCI funds spent. Businesses reported that the SSBCI investments will help create or retain over 300 jobs. See Table HI-2 for additional venture capital program outcomes.

The HVCIP has contractually obligated the allocated SSBCI capital to private investment managers. Additional performance metrics collected by the program manager include:

- Number of funds active in state, with an emphasis on new funds created
- Number of businesses receiving assistance and investment
- Private co-investment leverage – initial and follow-on financings

HSDC executives acknowledge the common state government viewpoint that values traditional economic development metrics like state revenue generation and job creation. However, the program manager places emphasis on communicating the need to generate financial returns from the capital program's small business investment portfolio to achieve industry diversification and high-wage job creation for Hawaii. HSDC recognized private investors have the objective of generating a financial return, and a strength of SSBCI is the mandate for states to work with private investors because of the matching funds requirement, which aligns financial interests around investing in Hawaii businesses.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- A critical success factor for a fund of funds investment program is to attract and select the right mix of investment managers that fill identified gaps across the equity financing continuum. In a state with no or few existing venture capital funds, looking to foster the creation of new funds or engaging funds outside the state is necessary.
- In a market without existing venture capital funds, the program design should facilitate the establishment of funds that span the continuum of equity financing to allow seed stage investors to have

confidence in follow-on funding opportunities and for early stage investors the confidence in a pipeline of quality deal flow.

- Program managers should work to understand existing strengths and capabilities on both demand and supply side of risk capital, focusing on the activity and health of the state's entrepreneurial ecosystem.

Idaho

PROGRAM PORTFOLIO OVERVIEW[67]

Using $13.1 million in SSBCI allocation, Idaho operates a single credit support program – the Idaho Collateral Support Program (ICSP). Idaho designed the program to help its small businesses gain access to capital to build and expand facilities, buy new equipment and add employees. Prior to SSBCI, the state had no small business credit support programs.

The Idaho Department of Commerce administers the program through the Idaho Housing and Finance Association (IHFA), a corporation created by the Idaho Legislature in 1972. IHFA is a self-supporting quasi-public organization with a mission to improve lives and strengthening Idaho communities by expanding housing opportunities, building self-sufficiency, and fostering economic development.

Table ID-1: Idaho's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Collateral Support Program	Collateral Support	$13.1 million	Idaho Housing and Finance Association

Program Outcomes

Idaho supported 254 loans that generated $164 million in total financing through December 31, 2015.

Table ID-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
253	$13.1 million	$7.2 million	$163.9 million	$648,000	12.5:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
2,510	8 FTEs	6 years	24%	30%	1. Health Care and Social Assistance 2. Manufacturing 3. Retail Trade

**Includes funds expended for administrative costs*

[67] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAM

Collateral Support Program

Idaho's program pledges a cash deposit to the lender as collateral for a loan. The deposit provides sufficient collateral for the loan using the bank's standard underwriting criteria. To limit the period that funds are held by lenders, the state has the following maximum amounts for collateral support:

- Loans with a maturity of 12 months or less: lesser of 20 percent of the lender's loan amount or $1,000,000.
- Loans with maturities of 13 months up to 60 months: lesser of 20 percent or $500,000.
- Loans with maturities exceeding 60 months: lesser of 15 percent or $250,000.

The program charges no fees except for 0.5 percent of the loan amount for loans with maturities exceeding 60 months. After five years, the program annually recaptures 20 percent of the year five collateral support account balance.

The program manager does not re-underwrite a loan, but rather reviews the bank's collateral assessment to determine if the collateral support request is reasonable. The lead bank is responsible for servicing, collections, and liquidation, with IHFA receiving semi-annual and delinquency reports. Idaho's program is "last loss" – the lender must liquidate all primary collateral before collecting against the CSP account. Borrowers must be for-profit businesses.

The program manager has expanded CSP through the infusion of $5 million in additional capital from other IHFA resources.

Credit Support Program Outcomes

Through December 31, 2015, Idaho's CSP expended over $13 million in SSBCI funds to support 254 transactions and generated $12.50 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain more than 2,500 jobs. The top 5 lenders by dollar amount loaned accounted for 75 percent of the amount loaned and 58 percent of the number of CSP transactions. See Table ID-2 for additional credit support program outcomes.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Idaho was able to deploy its SSBCI capital quickly in part because IHFA had a strong pre-existing network of banks participating in its housing lending partnership programs. Idaho had deployed 99 percent of its SSBCI capital by December 31, 2013.
- Simplicity is the key to program success. Bankers' overall time is limited, and thus a successful CSP program cannot substantially increase a loan's transaction costs.
- Quality of service is also important. Idaho's program responds to lenders within three business days of receiving a request for collateral support.
- Marketing efforts focused on various levels of banks' commercial lending operations, including bank CEOs, chief lending and credit officers, and line lenders. While the ICSP does some general awareness marketing to the small business market, it focuses its efforts on bankers, who are the point of distribution.
- "Power users" drive program volume. While 24 banks have signed up for Idaho's CSP program, 5 to 8 institutions drive volume.
- To be sustainable longer-term and not lose marketing momentum among banks, IHFA believes a program has to be continuously available. Idaho estimates that roughly $30 million in capital would be required to keep the program continuously available in Idaho.

Illinois

PROGRAM PORTFOLIO OVERVIEW[68]

Using $78.4 million in SSBCI allocation, Illinois operates four credit support programs and a venture capital program collectively known as Advantage Illinois (AI). With the SSBCI program portfolio, the state sought focused on sustainability and channeled nearly all funding into the loan participation program because it shows the highest potential to revolve funds during the long-term and also generate current income to support SSBCI operations.

Illinois' Department of Commerce and Employment Opportunity (DCEO) administers all SSBCI credit support and venture capital programs.

Table IL-1: Illinois' SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Participation Loan Program	Loan Participation	$70.1 million	Illinois Department of Commerce and Employment Opportunity
Conditional Direct Loan Program	Loan Participation	$500,000	Illinois Department of Commerce and Employment Opportunity
Collateral Support Program	Collateral Support	$1.6 million	Illinois Department of Commerce and Employment Opportunity
Capital Access Program	Capital Access	$50,000	Illinois Department of Commerce and Employment Opportunity
Venture Capital Program	Venture Capital	$6.0 million	Illinois Department of Commerce and Employment Opportunity

Combined Program Outcomes

Illinois supported 208 loans and investments that generated almost $503 million in total financing through December 31, 2015.

Table IL-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
208	$59.7 million	$1.5 million	$502.9 million	$2.42 million	8.4:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
3,814	10 FTEs	6 years	34%	13%	1. Manufacturing 2. Accommodation and Food Services 3. Professional, Scientific, and Technical Services

**Includes funds expended for administrative costs*

[68] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Participation Programs

Participation Loan Program (PLP): Illinois' PLP currently offers four credit enhancement products. Each product targets a specific small business market segment or financing instrument. The credit enhancement products of Illinois' PLP provide support to small businesses owners with an extra focus on minority-, women-, disabled-, and veteran-owned/controlled borrowers. The program manager uses SSBCI funds to purchase a participation in the aggregate financing at the lower of 25 percent of project costs or 50 percent of the loan amount up to $2.0 million. Loans must create at least one full-time equivalent employee for each $50,000 of program management support or retain at least one "at risk" job for each $50,000.

The SSBCI loan participation is limited to a maximum of 10 years for term loans and two years for lines of credit. There is a cap on participations of $2 million which range from $10,000 to $2 million. Loan participations are priced at a below market interest rate but with a floor of 2.0 percent. DCEO charges an interest rate that is 2.0 percent less than the rate charged by a bank or 1.0 percent less than the rate charged by a community development corporation. SSBCI loan participations are subordinate to the lender's loan position, but pro-rata on payment.

Conditional Direct Loan Program (CDLP): The CDLP provides direct loans of no more than 10 percent of total project costs not exceeding $1 million per project. The CDLP program is only used in very specific situations to provide the "but for" rationale for a given credit. It has been used in conjunction with purchase participation PLPs where an additional long-term, highly subsidized companion loan is required to make a transaction work. It appears that this is a particularly valuable program for industrial retention and for difficult inner-city transactions where collateral values are particularly difficult to support.

Collateral Support Program

Illinois uses its Collateral Support Program (CSP) to provide credit support for small businesses whose underlying asset values fail to meet the loan to value requirements of lenders. The CSP supports gaps in collateral value by establishing a deposit of up to 20 percent of the loan being issued by the lender. The SSBCI CSP position is subordinate to the lender's loan position, but collateral was released 20 percent per year over a five-year period. Originally modeled after a similar Michigan program and using similar documentation, the program is currently inactive.

Capital Access Program

The Illinois CAP requires the borrower and lender each to contribute a maximum of 2.5 percent of the principal loan amount to a reserve account for a total of 5 percent. DCEO uses SSBCI funds to match the combined borrower and lender contributions on a one to one basis. The maximum loan amount is $1 million with term loans up to five years and eligible lines of credit. "Main Street" retail and service businesses have been the primary beneficiaries. However, program managers report that banks do not find sufficient risk mitigation with the program. This is because asset values in the state fell drastically with little recovery following the financial crisis. Thus, SBA loans rather than CAP loans are generally viewed as more desirable by bankers for transactions with questionable collateral judged to require credit enhancement.

Credit Support Program Outcomes

Through December 31, 2015, the program manager expended $53.2 million in SSBCI funds, and generated $415.4 million in total financing or $7.80 in new financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain over 3,200 jobs. The PLP has been Illinois' most actively used SSBCI program.

Table IL-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
184	$53.7 million	$1.5 million	$415.4 million	$2.26 million	7.7:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
3,246	12 FTEs	7 years	36%	15%	1. Manufacturing 2. Accommodation and Food Services 3. Construction

**Includes funds expended for administrative costs*

As with most states, community banks have been the most interested and the most active in AI. Large banks with national service areas have not participated because they want to participate in programs they can implement across their entire footprint. As of December 2015, almost 60 community banks, CDFIs, and regional loan funds have enrolled in the Illinois SSBCI credit support programs.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- The CAP is no longer competitive, even with a higher loan limit (compared to Illinois' legacy CAP) especially without state funding to support higher matching levels than allowed by SSBCI.
- Having strong personal relationships with local senior lending officers throughout the state has allowed the program manager to recruit new lenders and retain their trust during the hiatus caused by the change in gubernatorial administrations.
- Maintaining pro-active communications with lenders is important to adjust SSBCI programs to the changing needs of the market place. DCEO started with four credit support programs, but subsequently focused on one (PLP) based on feedback from its lender partners.
- It is important to market the ability of SSBCI programs to meet specific lending niches. SSBCI is not a solution for all loan applications.
- Design management structures to limit interruptions in service during the transitions between administrations.
- The state prioritized supporting small businesses in underserved communities through its programming by specifically targeting minority-, women-, disabled- and veteran-owned and controlled businesses with incentives in program design, collaboration with stakeholders and participation in seminars, conferences, and other program marketing activities.

VENTURE CAPITAL PROGRAM

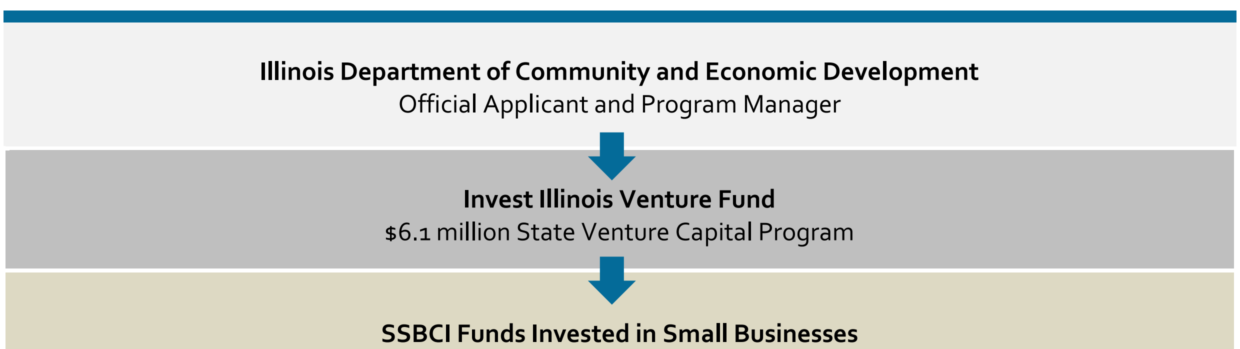
The Invest Illinois Venture Fund (IIVF) is a $6.1 million venture capital program, representing 7.8 percent of the state's SSBCI allocation. IIVF is a new program for DCEO, designed to support young, innovative businesses and startups that show a high potential for future growth and high-paying professional jobs. Initially approved with a $20 million allocation, IIVF invested $6.1 million before the remainder of its allocation was transferred to an established credit support program.

Venture Capital Program Design and Operations

IIVF was designed to help high-potential technology businesses accelerate the closing of seed, early, or growth stage investment rounds. IIVF developed a network of expert reviewers to support due diligence processes, and these experts often provided feedback and connections to other potential investors. Although IIVF did not lead investment rounds, it was accessible to entrepreneurs seeking their first private investors and sought to have a meaningful impact on helping entrepreneurs to secure lead investors and accelerate the time to a first closure.

Applicants to IIVF were reviewed by independent investors or subject matter experts sourced by IIVF staff to provide feedback to the applicants. Subject matter experts were drawn from regional venture funds, angel investor groups, venture development organizations, and corporate interests on an ad hoc basis, with the goal of obtaining unbiased expert insight on the applicant's plan. The businesses evaluated as having high potential were invited to make a formal presentation at IIVF-hosted events. IIVF designed the processes to provide exposure for high-potential businesses to help them connect with lead investors for their investment rounds. IIVF only invested in applicants that had a lead investor setting the investment terms. Financial terms accepted by IIVF could take any form, and IIVF invested pari passu or on an equal basis with private investors. Up to $500,000 of SSBCI capital could be invested in a company. Provided that a lead investor was committed to the round, IIVF would often make an investment commitment contingent upon the applicant raising additional capital prior to closing the investment round including the IIVF investment.

Figure IL-4: IIVF Structure



Venture Capital Program Outcomes

Without an active state-sponsored nonprofit organization to serve as an implementation partner, IIVF needed to establish all new processes under the state agency to execute its venture capital program plan. The program was fully implemented and showing positive outcomes from early investments. However, with the departure of the IIVF program manager, temporary hiring limitations from the state prevented the agency from replacing the IIVF manager with a comparably experienced manager. As a result, the key processes for managing IIVF investments were not sustainable and DCEO decided to reallocate unexpended IIVF funds to the state's SSBCI credit support programs.

IIVF appeared to have a significant positive impact on the early stage technology business ecosystem. The IIVF portfolio, with just $6.5 million of investments, generated more than $13 in new capital for every dollar of SSBCI funding. Four of the businesses in which IIVF invested capital have received substantial follow-on rounds, including a biotechnology company which has raised more than $20 million of subsequent financing, a woman-owned consumer game retail store chain that raised more than $16 million, and a medical device company that has raised nearly $10 million post-IIVF funding.

Table IL-5: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
24	$6.05 million	$0	$87.5 million	$3.65 million	13.5:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
568	4 FTEs	2.5 years	2%	0%	1. Professional, Scientific, and Technical Services 2. Manufacturing 3. Information

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- The early termination of IIVF despite early successes illustrates the importance of developing management succession plans for highly specialized venture capital programs. In this case, a program staff change led to a decision to reallocate SSBCI resources to another program.

Indiana

PROGRAM PORTFOLIO OVERVIEW[69]

Using $34.3 million in SSBCI allocation, Indiana operates a CAP and a venture capital program. With the SSBCI program portfolio, the state sought to support its innovation ecosystem through services and investments that discover and nurture successful entrepreneurs who are developing new technologies that could create high-paying jobs in Indiana.

The Indiana Economic Development Corporation (IEDC), a quasi-public agency serving the state's economic development needs, manages the CAP and contracts with Elevate Ventures, a nonprofit, to manage the venture capital program.

Table IN-1: Indiana's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Indiana Capital Access Program	Capital Access	$1.5 million	Indiana Economic Development Corporation
State Venture Capital Program (21 Fund)	Venture Capital	$32.8 million	Indiana Economic Development Corporation

Combined Program Outcomes

Indiana supported 202 loans and investments that generated almost $55 million in total financing through December 31, 2015.

Table IN-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
202	$15.5 million	$0	$54.8 million	$271,100	3.5:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,189	5 FTEs	4 years	31%	7%	1. Retail Trade 2. Professional, Scientific, and Technical Services 3. Construction

**Includes funds expended for administrative costs*

[69] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAM

Capital Access Program

Indiana's CAP has been in operation since 1993. Under Indiana's CAP, the combined borrower and lender contributions range from 2 to 7 percent of the principal amount of the loan. Typically, the borrower and lender each contribute between 1 percent and 3.5 percent of the loan amount enrolled. IEDC matches those contributions on a one to one basis using SSBCI funds, creating a total lender reserve between 4 percent and 14 percent. Lenders submit an enrollment form to IEDC when they make a loan. The lender determines whether a loan is made, the interest rate, the terms and conditions and the percentage contributed to the reserve fund. The maximum loan that can be enrolled in the CAP is $5 million.

Credit Support Program Outcomes

Through December 31, 2015, the program manager expended $319,400 of SSBCI funds to support 125 CAP transactions and generated $8.2 million in total financing or $25.60 in total financing for every $1 in SSBCI funds spent. Businesses reported that CAP loans will help create or retain 441 jobs

Table IN-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
125	$319,400	$0	$8.2 million	$65,500	25.6:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
441	3 FTEs	4 years	33%	8%	1. Retail Trade 2. Construction 3. Accommodation and Food Services

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- The principal strength of the state's CAP is that it is a seasoned program with years of activity from which to refine program design features. Thus, the present CAP format is a known risk mitigation product with local bank acceptance.
- Indiana has six lenders who actively use the CAP. It is an attractive option to bank lenders once they can achieve a sufficient scale of loans to create a large reserve.

VENTURE CAPITAL PROGRAM

Indiana allocated $32.8 million of SSBCI capital to the Indiana 21st Century Research and Technology Fund ("21 Fund"), a state-sponsored venture capital program created by the legislature in 1999. IEDC administers the 21 Fund and contracted with an independent non-profit venture development organization, Elevate Ventures, for management of the 21 Fund.

The purpose of the 21 Fund is to nurture entrepreneurs developing new technologies with the potential to create high-paying jobs in Indiana. From 1999 - 2009, the 21 Fund provided grants to investees. However, from 2010 through present, the 21 Fund shifted strategies and invested $101 million of state funds in 91 businesses under terms aligned with private sector co-investors, such as equity or convertible debt. The SSBCI capital allocation was designed to complement and expand existing 21 Fund programs managed by Elevate Ventures.

Venture Capital Program Design and Operations

Indiana distributed its venture capital allocation to four program "funds" with varying target markets and deployment strategies:

1. Indiana Angel Network Fund Initiative (**Angel Fund**). The 21 Fund partners with angel and local venture investors to support early-stage investments and to attract new capital to Indiana. These partnerships create a sustainable investor network to partner on future ventures. The Angel Fund is a direct investment program that helps entrepreneurs accelerate the closing of investment rounds with angel investors or small venture funds. Elevate Ventures often couples support services to help many first-time entrepreneurs to develop business models, organize corporate documents and pass due diligence scrutiny from potential co-investors. Elevate frequently provides contingent commitments for funding that require businesses to complete investment rounds with co-investors within 90 days. This process helps businesses establish credibility with potential investors and provides an impetus to close investment rounds.

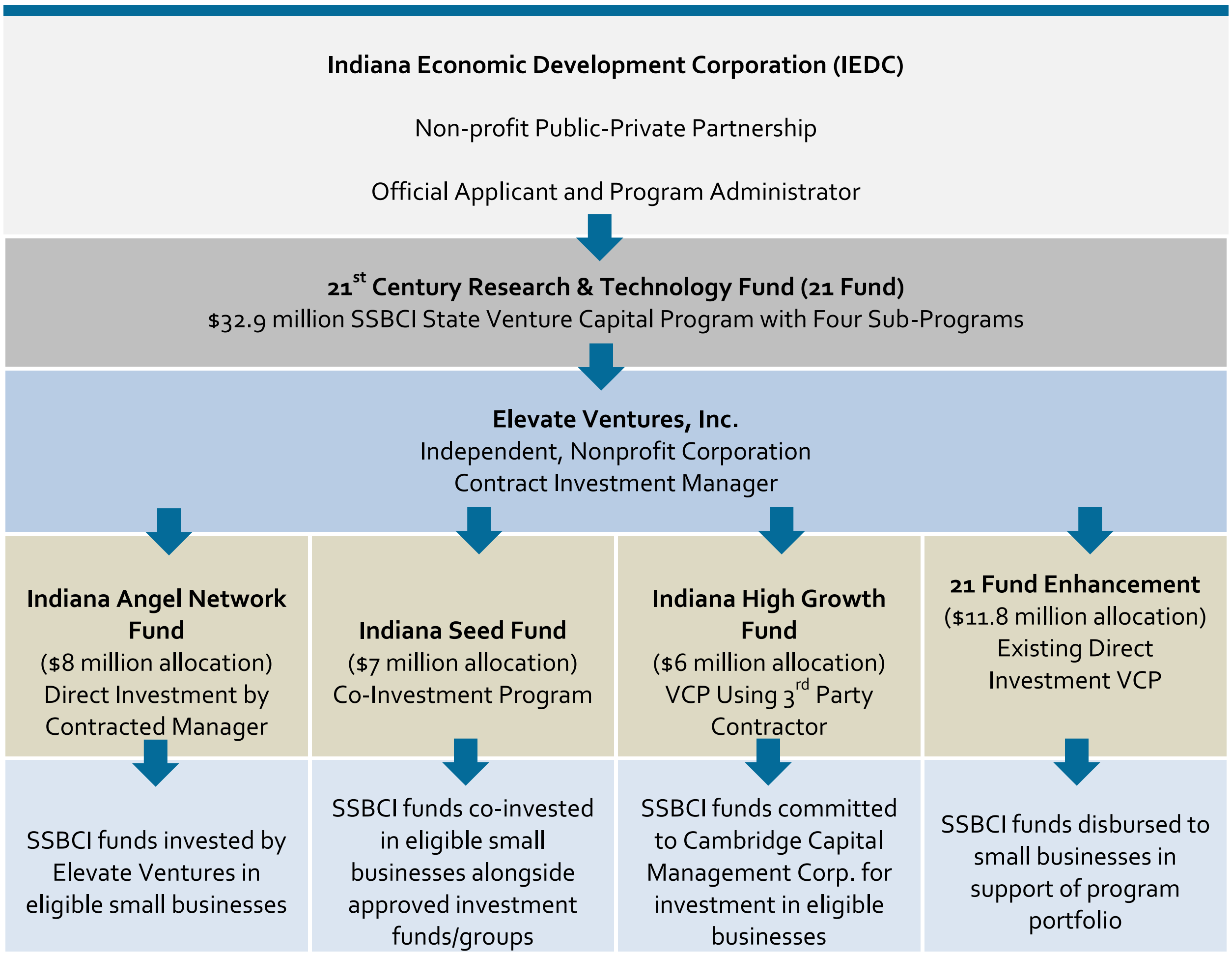
2. Indiana Seed Fund Holdings Initiative (**Seed Fund**). The 21 Fund co-invests with seed funds to provide seed-stage investments to private businesses, leveraging additional private investments. The Seed Fund is a co-investment program that supports the formation of seed-stage venture funds or angel groups supporting entrepreneurial ecosystems in Indiana. Funds/Groups apply to Elevate Ventures for approval to participate in the program. Approved funds and groups then submit deals for Seed Fund co-investments, typically matching capital committed by the funds or their members. Elevate Ventures reviews the deals for compliance only (i.e., does not make qualitative assessments) and funds deals on a first-come, first-served basis. Participating funds do not receive management fees but earn a 40 percent carried interest on the cumulative net returns from its Seed Fund co-investments.

3. Indiana High Growth Fund Initiative (**High Growth Fund**). The 21 Fund provides capital to private lending corporations, who in turn issue loans to businesses leveraging the public funds into high growth private lending mechanisms with a focus on under-served markets. The High Growth Fund provides venture debt to primarily later stage growth businesses. Cambridge Capital Management Corporation received a $5 million SSBCI capital commitment to use as part of four investment vehicles: (1) Fixed asset financings of at least $125,000 through the Indiana Statewide Certified Development Corporation the 504 debenture does not close, where bank loans leverage SSBCI capital at least 5 to 4; (2) Mezzanine debt of at least $200,000 through the Indiana Community Business Credit Corporation, where bank loans match SSBCI capital at least 1 to 1; (3) Subordinated debt of at least $75,000 through Lynx Capital Corporation, which is used for growth capital in minority-owned businesses; and (4) Venture capital of at least $100,000 through Cambridge Ventures, which is used for businesses exhibiting the potential to deliver venture type returns.

4. The **21 Fund Enhancement** is used to make direct investments into new businesses or those that previously received capital from the other three programs. The **21 Fund Enhancement** is the pre-existing IEDC fund managed by Elevate Ventures.

While managing the state and SSBCI investment funds, Elevate Ventures also operates state-sponsored ecosystem-building programs, such as the support of regional accelerators, an Entrepreneur-in-Residence (EIR) program, and regional and statewide venture showcases designed to attract out-of-state investors. Indiana is a state with very few resident venture capital funds and a historically low volume of venture capital investment in Indiana small businesses, so IEDC and Elevate Ventures serves as both technical advisor and lead investor for many high-potential technology businesses in the state.

Figure IN-4: The 21 Fund Structure



Venture Capital Program Outcomes

Through December 2015, Elevate Ventures had invested $15.2 million or 46 percent of the state's $32.8 million SSBCI allocation to the 21 Fund. The leverage ratio of 3.1 to 1 is relatively low because the majority of early investments have been through the Angel Fund, where initial leverage is often 1 to 1. The state reported that its SSBCI investments will help create or retain over 700 jobs, as 26 out of 77 investments were made in later stage businesses. Elevate has realized two successful exits from portfolio businesses, and two others have received follow-on venture capital investments of greater than $4 million and $10 million, respectively.

Table IN-5: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
77	$15.2 million	$0	$46.6 million	$604,900	3.1:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
748	6 FTEs	3 years	29%	5%	1. Professional, Scientific, and Technical Services 2. Information 3. Manufacturing

**Includes funds expended for administrative costs*

Additionally, the program manager also collects data on SSBCI capital invested along with co-invested private capital leverage, the total employment (as reported by investment managers), and the geographic location of small business investments.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- The initial Seed Fund request for proposal in 2012 did not receive any applicants despite favorable indications from potential participants. The reason offered was that the participants wanted to receive customary management fees (2 percent of capital managed) that would have exceeded SSBCI limits.
- The Seed Fund request for proposal was reissued in 2015, again offering no management fees but raising the carried interest to 40 percent, and the market has responded with nine applications in a short period of time.
- The pace of investments in the Angel Fund was adversely affected by OIG audit findings that the Elevate Ventures conflicts of interest policies did not align with SSBCI rules. Elevate Ventures suspended investment activities from the Angel Fund for a period of approximately 12 months until findings were resolved, then resumed activity in early 2015.
- The cost to Elevate Ventures of resolving audit findings related to conflicts of interest were extremely high in terms of staff time to address the findings, relationships with the state government and co-investors, and diversion of resources from operating the program itself. Following the resolution of the issues, Elevate Ventures instituted a system to track and assess potential conflicts that became an example for other state managers to follow.

Iowa

PROGRAM PORTFOLIO OVERVIEW[70]

Using $13.1 million in SSBCI allocation, Iowa operates two credit support programs, the Iowa Capital Access Program (ICAP) and the Iowa Small Business (ISB II) Loan Program, and a venture capital program. With the SSBCI program portfolio, the state sought to assist small businesses that have historically faced difficulties when trying to access funds for working capital and refinancing.

The Iowa Economic Development Authority (IEDA) contracted with the Iowa Business Growth Corporation (IBGC) to implement ICAP and with the Iowa Foundation for Microenterprise and Community Vitality (IFMCV) to manage the ISB II Loan Program.

Table IA-1: Iowa's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Iowa Small Business II Loan Program	Loan Participation	$30,300	Iowa Foundation for Microenterprise and Community Vitality
Iowa Capital Access Program	Capital Access	$9,600	Iowa Business Growth Corporation
Iowa Demonstration Fund Program	Venture Capital	$13.02 million	IEDA with support from VentureNet Iowa

Combined Program Outcomes

Iowa supported 40 loans and investments that generated $44 million in total financing through December 31, 2015.

Table IA-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
40	$7.7 million	$0	$44.4 million	$1.11 million	5.8:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
473	3 FTEs	2 years	25%	15%	1. Manufacturing 2a. Information 2b. Professional, Scientific, and Technical Services

**Includes funds expended for administrative costs*

[70] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Participation Program

IFMCV, a non-profit, SBA-certified micro lender managed the ISB II Loan Program. The program purchases subordinate loan participations from lenders, targeting loan amounts from $50,000 to $100,000. IFMCV directed a portion of SSBCI funds to establish a loan loss reserve that would enable the lender to expand its SBA micro-lending. The program was closed after a lack of demand.

Capital Access Program

ICAP requires the borrower and lender each to contribute to a reserve account, from a minimum combined contribution of 3 percent to a maximum of 7 percent of each enrolled loan. IBGC uses SSBCI funds to match the combined borrower and lender contributions on a one to one basis. There are no fees for an ICAP loan. The program was closed after a lack of demand.

Credit Support Program Outcomes

Due to the low utilization of both credit support programs, IEDA opted to redirect SSBCI funds to the Iowa Demonstration Fund venture capital program. Through December 31, 2015, Iowa's SSBCI credit support programs supported 17 loans that generated over $570,000 in total financing. Businesses reported that the loans will help create or retain 33 jobs.

Table IA-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
17	$74,000	$0	$632,000	$37,200	8.5:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
33	1 FTE	<1 year	41%	29%	1. Retail Trade 2. Other Services (except Public Administration) 3. Health Care and Social Assistance

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- The forecasted volume projections/demand for ICAP proved too aggressive for a sparsely populated state. Despite efforts to market the program through entities that maintained good relationships with many banking institutions, ICAP never gained traction because of limited market demand and limited interest in the lending community for this program.
- Much of the ISB II Loan Program money went to establish a loss reserve, and the interest rates charged by the contractor were so high that very few loan participations were actually generated. While the infrastructure

was positioned for success and the program was well marketed, interest in the program among banks and small businesses waned.

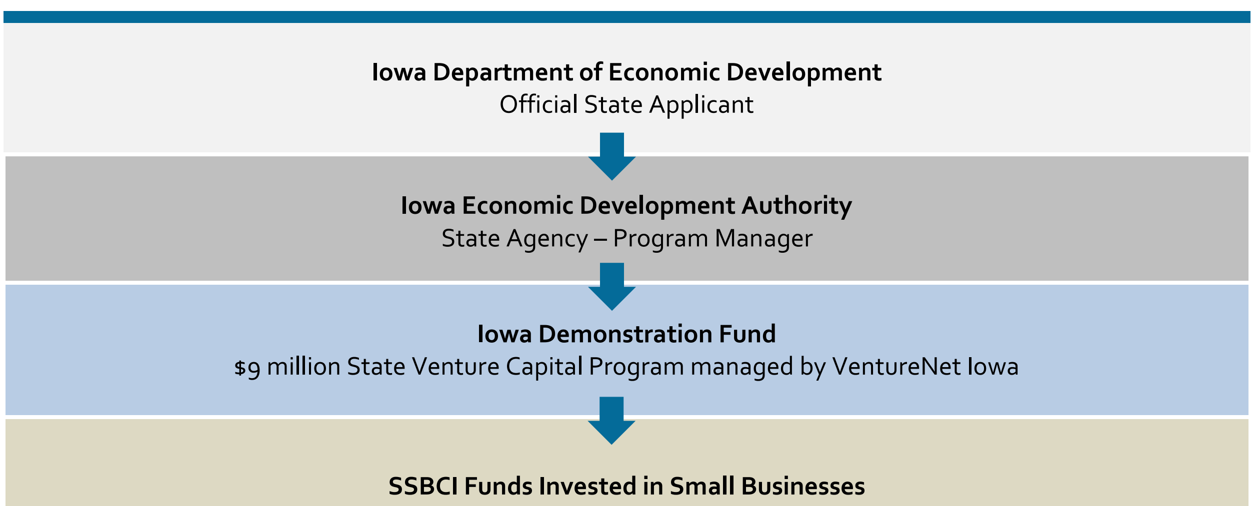
- It is important to engage in a thorough vetting process for contracted entities managing programs, as well as confirm that individual staff members have a proven ability to operate similar programs.
- When marketing SSBCI credit support programs to banks, it is important to alleviate the concerns that are held by many in the banking community about government involvement and bureaucracy. Iowa worked to overcome this perception among lenders by communicating program intent and details and building strong relationships with the state lenders.
- Early on, SSBCI's 10 to 1 minimum overall leverage expectation was an intimidating standard, but the state became much more comfortable with the requirement after having conversations with and receiving ongoing technical support from Treasury.

VENTURE CAPITAL PROGRAM

The Iowa Demonstration Fund (IDF), d/b/a the Iowa Innovation Acceleration Fund (IIAF) received an allocation of $9.0 million, or 68 percent of the state's $13.2 million SSBCI allocation. The state economic development agency, IEDA, manages IIAF with operational support provided by VentureNet Iowa, a for-profit venture development organization. IIAF is the SSBCI-funded complement to the legacy IDF, which was launched in 2007 and has invested more than $13 million of state funds in more than 100 small businesses.

IDF provides proof-of-concept capital for seed stage small businesses, but the IIAF was designed to provide (1) pre-seed capital for intellectual property development (Iowa LAUNCH) before the company was ready to receive investment funds from IDF, (2) seed capital for small businesses after IDF or proof-of-concept stage (Iowa PROPEL), and (3) growth capital for later stage small businesses (Iowa INNOVATION EXPANSION). Collectively, the legacy IDF program combined with SSBCI capital has broadened Iowa's capacity to support high-potential small businesses raising investment capital.

Figure IA-4: IDF Program Structure



Venture Capital Program Design and Operations

IEDA manages the IDF/IIAF funds, but they contract with VentureNet Iowa to provide deal sourcing and investment due diligence services. As a state agency, IEDA is prohibited by state law from making equity investments in small businesses. Therefore, IDF/IIAF investments are structured as low-interest loans that may also include a royalty component.

Historically, IDF investments with state capital averaged less than $150,000 per investment. With SSBCI capital, Iowa LAUNCH investments (pre-seed) have averaged $100,000 per investment, Iowa PROPEL investments have ranged from $250,000 to $500,000 with an average of about $400,000 per investment, and the Iowa INNOVATION EXPANSION investment was for $1,000,000. Co-investors include angel investors and venture capital or private equity investors. VentureNet Iowa often serves a catalytic role in sourcing deals and assisting small businesses in meeting with potential co-investors.

Venture Capital Program Outcomes

As of December 31, 2015, IDF has expended $7.7 million or 85 percent of its $9.0 million allocation, generated almost $44 million in new investment or $5.7 for every $1 in SSBCI funds spent. IDF has reported that the 23 investments will help create or retain 440 jobs.

Table IA-5: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
23	$7.7 million	$0	$43.8 million	$1.91 million	5.7:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
440	7 FTEs	4 years	13%	4%	1. Manufacturing 2a. Information 2b. Professional, Scientific, and Technical Services

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- IEDA program managers temporarily delayed the IDF/IAAF program implementation while the state implemented a major reorganization of the agency previously known as the Iowa Department of Economic Development.
- Shortly after the initial IIAF program investments were made in the third quarter of 2012, IEDA modified its SSBCI program to increase the IDF/IAAF allocation from $5 million to $9 million. Even after increasing the program size by 80 percent, IEDA and VentureNet Iowa were able to rapidly deploy the IDF/IAAF program capital.

Kansas

PROGRAM PORTFOLIO OVERVIEW[71]

Using $13.2 million in SSBCI allocation, Kansas operates a loan participation program and a venture capital program. With the SSBCI program portfolio, the state sought to continue providing support to small business lending in rural areas, expand loans to entrepreneurs in urban environments, and support the momentum of businesses that have achieved early success with capital raised from seed and early stage investors.

NetWork Kansas, a state-chartered non-profit organization created by the Kansas Economic Growth Act of 2004, manages the program. It enables entrepreneurs and small business owners to connect with its large partnership network throughout the state to find education, expertise, and economic resources.

Table KS-1: Kansas' SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Kansas Capital Multiplier Loan Fund	Loan Participation	$9.2 million	NetWork Kansas
Kansas Capital Multiplier Venture Fund	Venture Capital	$4 million	NetWork Kansas

Combined Program Outcomes

Kansas supported 81 loans and investments that generated $210 million in total financing through December 31, 2015.

Table KS-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
81	$12.4 million	$314,500	$210.3 million	$2.60 million	17.0:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,644	7 FTEs	3 years	38%	37%	1. Manufacturing 2. Accommodation and Food Services 3. Professional, Scientific, and Technical Services

**Includes funds expended for administrative costs*

[71] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAM

Loan Participation Program

Under the Kansas Capital Multiplier Loan Fund, businesses can apply for matching loans up to 9 percent of available private financing, with the state in a subordinate position to the lender. Minority- and women-owned businesses are eligible for matching loans up to 20 percent. The minimum companion loan amount is $25,000, while the maximum amount is $500,000.

NetWork Kansas requires partners to clearly define a funding gap. Often companion loans are made in conjunction with a SBA loan, both 7(a) and 504. Loans are closed and serviced by five NetWork Kansas community development corporation partners. NetWork Kansas pays the community development corporations a fixed amount to document and close loans and $30 per month per loan to collect and remit payments.

Applications are submitted on the behalf of small businesses by partner organizations, which also provide technical assistance to the borrowers. Partner organizations execute loan agreements with the small business and administer closed loans. To supplement partner-marketing efforts, NetWork Kansas initiated direct outreach to banks and hosted lender roundtable sessions to raise the visibility of the SSBCI program.

NetWork Kansas also taps a certified development company to complete due diligence on the transaction and ready loan applications for review committee consisting of a banker from the Kansas Bankers Association, two representatives that are NetWork Kansas partners, a Kansas Department of Commerce representative, a NetWork Kansas representative, and a NetWork Kansas board member.

Credit Support Program Outcomes

Through December 31, 2015, Kansas' loan participation program provided more than $8.8 million in support of 58 transactions and generated nearly $152 million in total financing or $17.20 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain 987 jobs. Accommodations and food services and manufacturing businesses comprise the majority of loan participations.

Table KS-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
58	$8.8 million	$314,500	$152.1 million	$2.62 million	17.2:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
987	8 FTEs	3 years	41%	43%	1. Accommodation and Food Services 2. Manufacturing 3. Retail Trade

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- The availability of SSBCI funds has changed the market in which NetWork Kansas operates, by allowing the organization to pursue much larger transactions than it previously could. The program manager's staff indicate that this has been a "game changer" for its organization. For example, SSBCI is credited for NetWork Kansas' ability to raise its maximum companion loan amount from $45,000 to $500,000.
- Much of the strength of the Kansas approach is found in the shared and leveraged resources of the multiple organizations participating in the NetWork Kansas model. Because NetWork Kansas plays a unique convener role, Kansas can help bring together partner organizations to buy into such an arrangement.
- NetWork Kansas benefits by the allocation of $2 million in annual state income tax credits used to raise additional funds for loan and technical assistance programs. NetWork Kansas also receives funding support from the Kansas Department of Commerce. This allows NetWork Kansas to use all of its SSBCI funds for lending and investing.

VENTURE CAPITAL PROGRAM

The Kansas Capital Multiplier Venture Fund (KCMVF) is a $4 million co-investment venture capital program representing 30 percent of the state's $13.2 million SSBCI allocation. KCMVF partners with regional venture development organizations and angel investor networks to accelerate the closing of investment rounds in high-growth businesses seeking angel investment. The investment goal is to support the momentum of businesses that have achieved success to from seed/early stage investors and are now raising capital to accelerate growth. Many of the partner organizations supplying investment opportunities for KCMVF were formerly sponsored by the state through substantial technology-based economic development programs that lost state funding after 2011.

Venture Capital Program Design and Operations

KCMVF seeks referrals from NetWork Kansas partners for profitable investment opportunities in small businesses with substantial market validation and commitments from lead and co-investors. Small businesses seeking KCMVF participation typically have developed and marketed products with capital from founders, angel investors, or profits from seed stage operations and are raising substantial angel rounds or venture capital to finance rapid growth.

KCMVF will provide contingent commitments of capital that small businesses can use to catalyze decisions by lead and co-investors. KCMVF invests on pari passu terms with other investors at no more than 9 percent of the total capital invested in the round and a maximum investment of $250,000. KCMVF sources deals through referrals from NetWork Kansas partners—regional venture development organizations and angel investor groups that facilitate due diligence reviews and investment decisions. These partners include the Wichita Technology Corporation, Midwest Venture Alliance, the Enterprise Center of Johnson County, Mid-America Angels, technology incubators/accelerators at the University of Kansas and Kansas State University, the Kansas Bioscience Authority, and the Pipeline entrepreneur mentoring program.

Figure KS-4: KCMF Program Structure

Kansas Department of Commerce
State Applicant

↓

Network Kansas
Quasi-Public Non-profit Contract Administrator

↓

Kansas Capital Multiplier Venture Fund
New State VC Program Operating as an Authorized Co-Investment Fund

↓

SSBCI Funds Invested in Small Businesses
Co-Investment via pre-determined ratio to private investment

Venture Capital Program Outcomes

KCMVF expended $3.6 million or 92 percent of its $4 million allocation through December 31, 2015, and generated $58 million in total financing or $16.20 in total financing for each SSBCI dollar spent. The initial leverage ratio per transaction ranges from 10:1 to 19:1 primarily due to the policy that KCMVF will not invest more than 9 percent of an investment round. Businesses reported that the SSBCI capital will help create or retain over 650 jobs. KCMVF has already achieved a profitable exit from a portfolio company when a growth-stage technology company closed an investment round with participation from SSBCI capital and subsequently completed a successful IPO.

Table KS-5: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
23	$3.6 million	$0	$58.2 million	$2.53 million	16.2:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
657	5 FTEs	2 years	30%	22%	1. Manufacturing 2. Professional, Scientific, and Technical Services 3. Information

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Network Kansas increased the KCMVF allocation from $2.6 million to $3.6 million in response to strong demand from partner organizations.
- NetWork Kansas program managers perceive that the program has partially offset the unmet demand for venture capital resulting from state budget cuts for organizations that previously invested in Kansas-based technology businesses, but noted that its investment strategy is not intended to replace the pre-seed and seed stage capital investment programs that helped many of the KCMVF businesses get started.

Kentucky

PROGRAM PORTFOLIO OVERVIEW[72]

Using $15.5 million in SSBCI allocation, Kentucky operates three credit support programs and a venture capital program. The credit support programs include: collateral support (KYCSP), loan participation (KYLPP), and capital access (KYCAP). In August 2014, Treasury approved the Kentucky Venture Capital Program (KYVCP), a new state venture capital program, for participation under SSBCI. However, Kentucky requested to terminate the KYVCP in November 2015 because of inactivity due to lower than anticipated deal flow.

The Cabinet for Economic Development (Cabinet), the state agency responsible for encouraging job creation, retention and new investment, serves as the SSBCI program manager. The SSBCI program operates under the auspices of the Kentucky Economic Development Finance Authority (KEDFA), established within the Cabinet to encourage economic development and is responsible for awarding most of the financial incentives offered by the Cabinet.

Table KY-1: Kentucky's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Kentucky Collateral Support Program	Collateral Support	$10.9 million	Cabinet for Economic Development
Kentucky Loan Participation Program	Loan Participation	$1 million	Cabinet for Economic Development
Kentucky Capital Access Program	Capital Access	$115,600	Cabinet for Economic Development
Kentucky Venture Capital Program	Venture Capital	$3.5 million	Cabinet for Economic Development

Combined Program Outcomes

Kentucky supported 117 loans that generated almost $83 million in total financing through December 31, 2015.

Table KY-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
117	$9.9 million	$0	$82.7 million	$707,200	8.4:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,644	5 FTEs	4 years	43%	47%	1. Manufacturing 2a. Accommodation and Food Services 2b. Retail Trade

**Includes funds expended for administrative costs*

[72] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Collateral Support Program

KYCSP provides a pledged asset (cash collateral account) to an enrolled lender of up to 20 percent of their loan in order to enhance the collateral coverage of a small business borrower that is otherwise qualified but unable to meet the lender's security requirements. KEDFA reduces the cash collateral account proportionately with the principal reduction of the loan. KEDFA can also withdraw interest earned on the cash collateral account. If a cash collateral account exceeds the federally insured amount, a lender must provide pledged assets sufficient for compliance with state law. For KYCSP, the lender pays KEDFA a closing fee of 1 percent of the initial deposit into the cash collateral account for a loan with a term of less than 3 years; 2 percent for a loan term of 3 to 5 years; and 3 percent for a term in excess of 5 years. The lender may be reimbursed for the closing fee by the borrower. However, to date, Kentucky has waived fees for the KYCSP.

Loan Participation Program

KYLPP purchases up to 20 percent of a qualified lender's small business loan. Unlike KYCSP, KYLPP's loan participation is often on a pari passu basis. Closing fees and late fees are split pro-rata with the lender. KEDFA's participation can carry an interest rate as low as 0 percent and no principal payments for up to 24 months. After this initial grace period expires, the interest rate and amortization period will be commensurate with the bank loan.

Capital Access Program

Modeled on a traditional capital access program that involved borrowers and lenders setting aside a loan loss reserve pool, Kentucky found minimal demand for KYCAP. The SSBCI resources allocated to the KYCAP have been reduced substantially to meet other financing needs.

KEDFA approves participating lenders based on their marketing plan for LMI communities; the mechanism for determining the amount of financial support needed on a per-loan basis; which programs the lender will use and how they will use them; and the counties to be served. KEDFA views the participating lenders as the primary underwriters of the loans for credit purposes, and KEDFA's primary responsibility is to review the loan for compliance with SSBCI regulations. KEDFA gets a complete underwriting package from the lender – the due diligence memo, spreads, appraisals, etc. KEDFA staff members review each package for compliance and any significant credit issues. In particular, KEDFA reviews the package to determine how the lender determined the amount of state participation or collateral support. Any commitment of lending support in an amount over $250,000 requires approval from the KEDFA board, based on a summary of the proposed loan.

Credit Support Program Outcomes

Through December 31, 2015, Kentucky's credit support programs provided more than $9 million in support of 117 transactions and generated nearly $93 million in total financing or $8.40 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain over 1,600 jobs. See Table KY-2 for additional credit support program outcomes.

Kentucky does not collect outcome data beyond that required by Treasury, but the state tracks the geographic location of loans to ensure widespread distribution, particularly in rural and low-income areas.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Kentucky experienced more rapid deployment of SSBCI funds when it temporarily waived fees for its KYCSP program.
- Deployment was low in the KYCAP because it was a new program to Kentucky, it is hard for bankers to understand and requires a significant volume of loans before the loss reserves provided through the program are effective risk mitigants.
- KYLPP and KYCSP are in many ways similar products, with the primary difference being the pari passu status of KYLPP's participation. Because KYCSP provides subordinated capital accounts, lenders are more likely to use that product.
- Kentucky helped ensure widespread use of SSBCI funds, including in rural areas, by marketing its programs extensively in all parts of the state and getting lenders from rural areas enrolled in the program.
- Most of the lending has taken place in urban areas, which highlights the possibility of using Community Reinvestment Act credit as a selling point to the banks in the future.

Louisiana

PROGRAM PORTFOLIO OVERVIEW[73]

Using $12.4 million in SSBCI allocation, Louisiana funded a loan guarantee program and a venture capital program. Both programs existed prior to SSBCI funding.

The Louisiana Department of Economic Development (LED) is the state agency responsible for administering the funds that use both the Louisiana Small Business and Guarantee Loan program (SBLP), and a venture capital program, the Louisiana Seed Capital Program (LSCP) through its Louisiana Economic Development Corporation (LEDC). LED's mission is to cultivate jobs and economic opportunity for the people of Louisiana.

Table LA-1: Louisiana's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Small Business Loan Guarantee	Loan Guarantee	$7.6 million	Louisiana Economic Development Corporation
Louisiana Seed Capital Program	Venture Capital	$4.8 million	Louisiana Economic Development Corporation

Combined Program Outcomes

Louisiana supported 61 loans and investments that generated almost $39 million in total financing through December 31, 2015.

Table LA-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
61	$5.1 million	$0	$38.8 million	$635,700	7.6:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
828	4 FTEs	2 years	16%	8%	1. Manufacturing 2. Administrative and Support and Waste Management and Remediation Services 3. Information

**Includes funds expended for administrative costs*

[73] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAM

Loan Guarantee Program

Originally created in 1988, the SBLP provides lenders with a maximum guarantee of up to 75 percent of the loan amount, with a maximum loan size of $2 million. For the first few years of the program, LEDC charged a fee on the guaranteed amount of the loan, ranging from 2 percent to 4 percent, but subsequently LEDC waived fees to encourage lenders to use the program.

Credit Support Program Outcomes

Through December 31, 2015, the program manager expended $3.8 million in SSBCI funds to support 36 transactions and generated $6.0 in total financing for each SSBCI dollar spent. Businesses reported that the loans will help create or retain over 600 jobs. Businesses in the manufacturing industry received one-quarter of the loans.

Table LA-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
36	$3.8 million	$0	$22.9 million	$636,900	6.0:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
668	6 FTEs	2 years	22%	14%	1. Manufacturing 2. Administrative and Support and Waste Management and Remediation Services 3. Construction

**Includes funds expended for administrative costs*

LEDC's primary mission is focused on providing additional access to capital to Louisiana small businesses. These efforts directly affect the state's investments to promote job creation and retention, a goal closely aligned with SSBCI. For a loan of $100,000 or less, LEDC expects the borrower to create at least one job. However, for loans over $100,000, the company must create at least two permanent jobs. To monitor the success of the program, LED has a data sharing agreement to access state wage records from the Louisiana Workforce Commission. LEDC requires the applicant company to provide its tax identification numbers and unemployment insurance identifier, allowing LED to validate job creation and retention against state wage records.

LEDC has used SBLP to assist a diverse set of businesses including the service and manufacturing sectors. The banking community and small business development centers have been more active in helping businesses in the southern part of the state. LEDC is trying to focus more of its marketing efforts to engage more lenders in the northern and central parts of the state to address the unmet small business capital needs.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- LED promotes and encourages the use of SSBCI programs in coordination with other state programs and incentives.
- LEDC has simplified the program to be more user friendly, creating an incentive for lenders to access the program.
- LED began by offering a guarantee for the initial three years of the loan, but in December 2013, the agency extended the potential length of the guarantee for up to seven years in response to lender concerns.
- It is invaluable for experienced loan staff to have high enough loan approval authority to allow for quicker loan processing.
- Smaller and younger businesses in particular need access to credit enhancement for lines of credit. LEDC is concentrating on providing guarantees for lines of credit and equipment acquisition.
- To increase program usage, LEDC is experimenting with multiple ways to market the program. Some approaches involved targeting businesses directly through its small business programs (e.g., an economic gardening initiative) and other state-administered programs (including the community development block grant and infrastructure loan programs) or incentive programs (e.g., Quality Jobs).
- The decision to charge or waive administrative fees represents a balance between the desire to incentivize participation among firms that are least able to participate and the desire to generate resources to cover administrative costs and offset potential program losses.
- LED's lending activities have found a particular niche in providing access to lines of credit for small businesses.

VENTURE CAPITAL PROGRAM

The LSCP is a fund of funds supported by an allocation of $5.1 million and administered by the LEDC. The general program structure was originally created by the state in the year 2000. However, SSBCI provided the opportunity for Louisiana to update and support the program with sufficient resources to stimulate private investment in high-growth potential small businesses. State and regional efforts to revitalize the New Orleans area following Hurricane Katrina also led to an increased focus by public and private stakeholders on supporting small businesses and emphasizing equity-based capital formation.

The program objective is to spur private investment in high-growth-potential small businesses and build investment capacity by supporting the development of new funds focused on seed- and early-stage investments. LEDC selected the fund of funds venture capital program structure because the state lacked venture capital investing capabilities and had articulated a strategy of engaging private investors to leverage their investing expertise and professional networks.

Venture Capital Program Design and Operations

The program manager contracts with private investment fund managers in Louisiana to source, transact, and manage equity investments in Louisiana small businesses. The venture capital program is structured to have LEDC invest as a limited partner in each fund, with the state's financial interest aligned with the other limited partner investors on a pari passu basis.

Contracted investment managers recoup administrative costs from the first 20 percent of investment returns. Additionally, the principal investment will be returned to each fund's limited partners, with any residual capital (profits) split 80 percent to the limited partners (including LEDC) and 20 percent to fund managers.

LEDC managed a competitive process to select participating fund managers, with the organization's staff assisting in the review of applicants and the organization's board of directors having the decision authority to select investment managers and commit SSBCI funds. The LSCP portfolio consists of four investment funds – three non-profit funds and one for-profit fund (see Table LA-4).

Table LA-4: Venture Capital Investment Funds

Investment Fund Name	SSBCI Allocation	Targeted Investment Stage	Fund Structure	Region Served
New Orleans Startup Fund	$2 million	Seed	Nonprofit	Greater New Orleans Region
Themelios Ventures	$1 million	Early to Growth	For Profit	Baton Rouge, Shreveport
Lafayette General Healthcare Fund	$1 million	Early	Nonprofit	Lafayette, New Orleans Region
Catalyst Fund	$1 million	Seed/Early	Nonprofit	Baton Rouge

The contracted investment funds can make investments outside the state of Louisiana; however, the program manager requires each fund to invest at least 2.5 times the amount of allocated SSBCI funds in Louisiana-based businesses (SSBCI capital plus private capital match) before investing in out-of-state opportunities. This requirement is documented by a side letter agreement with each fund manager.

Figure LA-5: LSCP Structure

Venture Capital Program Outcomes

Through December 31, 2015, LEDC expended $1.3 million in SSBCI capital in 25 small business investments. The SSBCI capital expended has generated $16 million in total financing or $12.20 in total financing for every $1 in SSBCI funds spent.

Table LA-6: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
25	$1.3 million	$0	$15.9 million	$634,000	12.2:1

Jobs Created or Retained per Businesses	Median Business Size	Median Business Age	Transactions in Low- and Moderate- Income Areas	Transactions in Non-Metro Areas	Top Industries Assisted
160	3 FTEs	2 years	8%	0%	1. Information 2. Professional, Scientific, and Technical Services 3. Manufacturing

**Includes funds expended for administrative costs*

The program manager collects both quantitative outcome data and noted qualitative outcomes. For example, LEDC observed an increase in entrepreneurial activity in both the New Orleans and Baton Rouge areas, with greater participation in small business events and an increase in angel investment. The increased activity contributes to greater investor confidence and awareness in Louisiana's entrepreneurial ecosystem to generate and support attractive investment deals.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Having a preexisting state program structure available to modify when SSBCI funds became available helped LEDC and investment partners respond more quickly during the early design and implementation phase.
- In developing investment/entrepreneurial ecosystems, LEDC found it challenging to identify qualified, credible equity-based investment managers with which to partner for investment services.
- When contracting with private investment managers to source and transact investments, the state program manager does not have control of the pace of capital deployment. The draw and investment of SSBCI funds has been slower than anticipated.

Maine

PROGRAM PORTFOLIO OVERVIEW[74]

Using $13.2 million in SSBCI allocation, Maine injected new capital into two existing credit support programs and an existing venture capital program. With the SSBCI capital, the state expanded these programs to aid small businesses that have often been shut out of traditional debt financing and also help connect technology entrepreneurs in small, remote areas to angel investors.

Maine's Department of Economic and Community Development (DECD), the implementing agency for the state, contracted with the Finance Authority of Maine (FAME), to administer the program. FAME is a quasi-independent agency established as Maine's business finance agency in 1983.

Table ME-1: Maine's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Regional Economic Development Revolving Loan Program	Loan Participation	$7 million	Finance Authority of Maine
Economic Recovery Loan Program	Loan Participation	$1.8 million	Finance Authority of Maine
Small Enterprise Growth Fund	Venture Capital	$4.3 million	Finance Authority of Maine

Combined Program Outcomes

Maine supported 43 loans and investments that generated almost $45 million in total financing through December 31, 2015.

Table ME-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
43	$5.7 million	$0	$44.5 million	$1.04 million	7.8:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
848	10 FTEs	4 years	28%	12%	1a. Professional, Scientific, and Technical Services 1b. Manufacturing 2. Health Care and Social Assistance

**Includes funds expended for administrative costs*

[74] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Participation Programs

Through its Regional Economic Development Revolving Loan Program (REDRLP) and Economic Recovery Loan Program (ERLP), FAME has a history of providing "gap" financing to Maine's businesses either directly or by partnering with local economic development agencies and commercial banks.

The ERLP is a direct loan program that provides financing to new or existing small businesses. The maximum loan amount is $750,000 but may be increased to $1,000,000 if the project has substantial public benefit. ERLP loans have a maximum term of five years with interest rates fixed at prime plus 2 percent and an origination fee of 1 percent. When used to complete a financing package with a private lender, the ERLP provides subordinate debt.

Similar to the ERLP, the Regional Economic Development Revolving Fund (REDRLP) provides subordinate financing to assist businesses in their efforts to remain viable and/or improve productivity. Under the REDRLP, a participating regional economic development agency provides financing to eligible borrowers who can demonstrate, among other requirements, the financial commitment from other sources of private financing. The agency provides up to 50 percent of the funds for loans under $100,000 and 33 percent for loans that exceed $100,000. The maximum loan amount under the REDRLP is $350,000. Historically, funds have been used to finance businesses with fewer than 50 employees and revenues of $5 million or less. Fifteen lenders (CDFIs and regional economic development agencies) currently participate in the REDRLP.

Credit Support Program Outcomes

Through December 31, 2015, FAME participated in 25 loans totaling $3.1 million in SSBCI funding. These loans generated $29.4 million in total financing or $9.50 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain about 400 jobs.

Table ME-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
25	$3.1 million	$0	$29.4 million	$1.18 million	9.5:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
404	6 FTEs	4 years	32%	16%	1. Health Care and Social Assistance 2a. Retail Trade 2b. Manufacturing

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Using SSBCI funding, FAME changed its loan-limit size from $250,000 to $350,000 for REDRLP to allow FAME to participate in larger deals, which increases both their market opportunities and potential impact.
- The program manager reports that it is important to ensure that lenders know about capital availability. They actively use the Maine Technology Institute and Maine Community Foundation as conduits for communication. Because these programs have existed for several years, FAME continues to build on existing relationships, adapts to market needs and partner organizations' priorities.

VENTURE CAPITAL PROGRAM

The Small Enterprise Growth Fund (SEGF) is managed by the Maine Venture Fund (MVF), a legislatively created, professionally managed venture capital fund whose mission is to provide resources to attract, support, and help develop small businesses with the potential for substantial growth and success that will contribute to the prosperity of Maine. MVF serves Maine entrepreneurs seeking risk capital for small businesses aspiring to high growth. MVF connects technology entrepreneurs in a small, remote and sparse state to angel investors.

Venture Capital Program Design and Operations

Maine's DECD designated FAME as the SSBCI program manager. FAME initially created MVF in 1996 with a one-time $13 million state grant to operate an evergreen fund. It later spun out as an independent non-profit. FAME continues to actively partner with MVF and provides oversight and marketing services. The MVF team is experienced and very well known throughout Maine's innovation ecosystems.

MVF employs experienced venture capital investors to manage the fund with a priority on generating financial returns from investments because investment proceeds extend the economic development value of the evergreen fund. The primary economic development productivity measure is private capital investment leveraged by MVF investments.

Figure ME-4: SEGF Structure

Maine Department of Economic and Community Development
Official State Applicant

↓

Finance Authority of Maine
State-Sponsored Non-Profit Program Manager

↓

Small Enterprise Growth Fund
$4.3 million State Venture Capital Program
managed by the Maine Venture Fund

↓

SSBCI Funds Invested in Small Businesses

Venture Capital Program Outcomes

As of December 31, 2015, MVF had invested $2.6 million or 60 percent of the $4.3 million SEGF allocation. MVF investments have generated about $15 million of new capital or $5.80 in new capital for every $1 in SSBCI funds spent. Businesses reported that the investments will help create or retain 444 jobs.

MVF is a significant player in Maine's innovation ecosystem, which is relatively small and geographically removed from New England's prolific venture capital environment. SSBCI capital helped MVF expand its investment capacity by more than 50 percent.

Table ME-5: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
18	$2.6 million	$0	$15.2 million	$842,100	5.8:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
444	18.5 FTEs	3.5 years	22%	6%	1. Professional, Scientific, and Technical Services 2. Manufacturing 3. Construction

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- MVF adjusted its conflicts of interest policy from a model that allows voting members to disclose actual or potential conflicts and recuse themselves from voting to a model that removes active angel investors from the fiduciary roles of approving investments and monitoring program managers.

Maryland

PROGRAM PORTFOLIO OVERVIEW[75]

Using $23 million in SSBCI allocation, Maryland operates three credit support programs and a venture capital program – each existed prior to program implementation and was expanded with federal funds. With the SSBCI program portfolio, the state sought to invest in research and positively affect neighborhoods.

The Maryland Department of Commerce (DOC) administers the loan guarantee and venture capital programs, and the Maryland Department of Housing and Community Development (DHCD) administers the Subordinate Debt Program. The Maryland Venture Fund (MVF) is a separate corporate entity operated by the Maryland Technology Economic Development Corporation (TEDCO).

Table MD-1: Maryland's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Neighborhood Business Works Program	Loan Participation	$1.5 million	Maryland Department of Housing and Community Development
Maryland Small Business Development Financing Authority Loan Guarantee	Loan Guarantee	$1.5 million	Maryland Department of Commerce
Maryland Industrial Development Financing Authority Loan Guarantee	Loan Guarantee	$828,000	Maryland Department of Commerce
Maryland Venture Fund IV	Venture Capital	$19.2 million	Maryland Technology Economic Development Corporation

Combined Program Outcomes

Maryland supported 42 loans and investments that generated almost $280 million in total financing through December 31, 2015.

Table MD-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
42	$9.8 million	$0	$279.5 million	$6.65 million	28.4:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,723	14.5 FTEs	5.5 years	31%	0%	1. Professional, Scientific, and Technical Services 2. Manufacturing 3. Information

**Includes funds expended for administrative costs*

[75] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Participation Program

DHCD targets projects for the Subordinate Debt Program that positively affect a neighborhood by revitalizing vacant buildings or increasing first-floor commercial space. Loan amounts can be up to $500,000 or 50 percent of total project cost, whichever is less, and up to a 15-year term.

Loan Guarantee Programs

Maryland Small Business Development Financing Authority (MSBDFA) Loan Guarantee Program: This program targets small businesses that are owned by socially or economically disadvantaged persons. The program guarantees up to 80 percent of a bank or CDFI loan. After slower than anticipated deployment, Maryland reallocated all but $1,485,000 of the original allocation amount ($4,500,000) to the venture capital program.

Maryland Industrial Development Financing Authority (MIDFA) Loan Guaranty Program: This program guarantees fixed asset loans, letters of credit, leasing, and other small business working capital needs up to a maximum of $2,500,000 per borrower. The maximum guarantee is 80 percent, of which 20 percent of the guaranteed portion is set aside in a guarantee reserve fund. The typical guarantee is in the range of 20 percent to 50 percent of the loan amount. After slower than anticipated MIDFA deployment, Maryland shifted all but approximately $800,000 from the MIDFA to the venture capital program.

Credit Support Program Outcomes

Through December 31, 2015, Maryland expended $1.6 million in SSCBI funds to support 20 transactions that generated total financing of almost $16 million and achieved a leverage ratio of 9.9 to 1. Businesses reported that these loans will help create or retain approximately 500 jobs.

Table MD-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
20	$1.6 million	$0	$15.9 million	$793,600	10:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
510	3 FTEs	8 years	30%	0%	1. Professional, Scientific, and Technical Services 2. Accommodation and Food Services 3. Retail Trade

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- For the MIDFA LGP, the state set a set aside 20 percent of the guarantee amount in cash, and setting aside more cash to cover guarantees may have attracted more interest in the program as a strategy for speeding the deployment of funds.
- Overall economic conditions impacted the speed of the deployment of funds by MIDFA and MSBDFA in that banks were slow to lend money in general.
- The state would recommend compliance training for the lenders so that there are no issues when a loan is submitted for consideration in a program.
- The state noted that it would want to have stand-alone SSBCI programs (that are not integrated into the current programs) due to two reasons:
    - There were administrative complications with the integration of the SSBCI funding into the existing programs.
    - There would be less confusion when marketing the programs as SSBCI funds, particularly when the federal funds included limitations that were not in the existing state programs such as not allowing the funds to be used for passive real estate and refinancing of debt.

VENTURE CAPITAL PROGRAM

The Maryland Venture Fund IV (MVF IV) increased the supply and accessibility of venture capital for Maryland-based businesses. The program's objective is to catalyze private investment in larger risk capital financing opportunities targeting early-stage, pre-revenue technology businesses with less than $1 million in annual revenues. The program manager has communicated a goal of operating the MVF IV synergistically within Maryland's economic development portfolio of state venture development and investment programs such as the research commercialization assistance initiatives at TEDCO and the InvestMaryland fund of funds program.

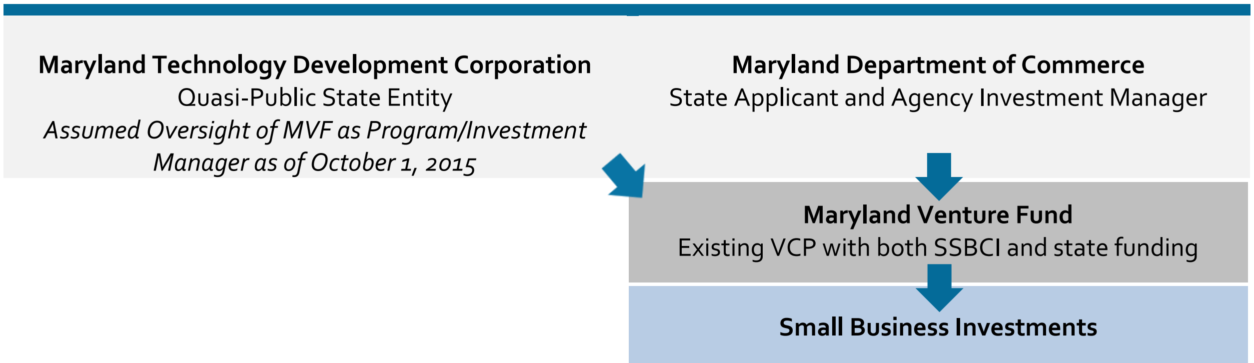
Venture Capital Program Design and Operations

The MVF IV targets technology business investments, broadly defined by the program manager, which have been executed as equity rounds or convertible debt instruments. The SSBCI investment size was estimated to be between $50,000 and $500,000 from seed to Series A financings, with minimum private investment leverage ratio of 1 to 1 at time of initial investment. The MVF IV leads investment rounds, and for some investments is the first outside capital invested into a company. Although MVF IV is comprised of both SSBCI and state funds, the former is delineated through a separate account for investment in small businesses.

The entrepreneurial ecosystem and venture capital industry are developing in Maryland, with the MVF IV attracting co-investment from institutional venture capital funds and family office funds in the region, as well as from angel investors. Furthermore, technology commercialization and venture development assistance is provided through TEDCO and a statewide network of partners that includes universities, business incubators/accelerators, and economic development organizations. The state's strategy is to work with and through these partners and programs to identify and support investment opportunities from idea stage through company growth stages.

At the conclusion of SSBCI, TEDCO will maintain control over investment funds and any financial returns for future deployment into Maryland-based businesses.

Figure MD-4: MVF IV Program Structure



Venture Capital Program Outcomes

As of December 31, 2015, the MVF IV had invested $8.2 million or 43 percent of the $19.2 million allocation. MVF IV investments have generated $264 million in new capital or $32 in new capital for every $1 in SSBCI funds spent. Businesses reported that the investments will help create and retain over 1,200 jobs.

Table MD-5: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
22	$8.2 million	$0	$263.6 million	$11.98 million	32.0:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,213	19 FTEs	5 years	32%	0%	1. Professional, Scientific, and Technical Services 2. Manufacturing 3. Information

**Includes funds expended for administrative costs*

During the course of program implementation, the MVF IV has experienced a delay in deploying funds to small businesses due to concerns over the fund's status as an "accredited investor," as defined by the Securities and Exchange Commission (SEC). Because the fund is managed within a state government agency and not structured as an independent legal entity, the fund does not align clearly with the accredited investor definition. This alignment is important to investees because accepting funds from a non-accredited investor creates regulatory filing burdens for documenting private equity investments. In early 2013, Maryland DOC requested clarification from the SEC about the MVF's accredited investor status in the form of a "no action" letter; however, the SEC did not provide sufficient guidance to alleviate concerns. As such, Maryland DOC explored a work around strategy with single purpose businesses created for unique investments, which resulted in a 6 – 8 month delay in deploying SSBCI funds.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- SSBCI support of the MVF IV was implemented within the context of a large-scale ($84 million) state venture capital initiative called InvestMaryland that provided funding to the MVF IV and a new fund of funds strategy. With additional capital to deploy, the MVF IV benefitted from the increased activity generated by InvestMaryland to attract interest from both businesses and investors while also looking to consolidate and streamline program management.
- When state legislative action is needed to authorize use of public funds or modify organizational authority, program managers should plan accordingly for a lengthy process. Specific to SSBCI, when a state operates more than one approved program, the performance of one program can impact the availability of funds for investment by another program. Considering this potential operational impact in advance during the design phase can help with effective implementation.

Massachusetts

PROGRAM PORTFOLIO OVERVIEW[76]

Using $20.4 million in SSBCI allocation, Massachusetts operates three credit support programs – a CAP and two separately operated loan participation programs.

Massachusetts' Executive Office of Housing and Economic Development (EOHED) manages the programs through two partners: the Massachusetts Business Development Corporation (MBDC) and the Massachusetts Growth Capital Corporation (MGCC).

Table MA-1: Massachusetts' SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
MGCC Loan Participation	Loan Participation	$13.9 million	Massachusetts Growth Capital Corporation
MBDC Loan Participation	Loan Participation	$5 million	Massachusetts Business Development Corporation
Massachusetts Capital Access Program	Capital Access	$1.5 million	Massachusetts Business Development Corporation

Combined Program Outcomes

Massachusetts supported 776 loans that generated $110 million in total financing through December 31, 2015.

Table MA-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
776	$16.7 million	$2.06 million	$110.3 million	$142,200	6.6:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
8,722	4 FTEs	6 years	26%	3%	1. Retail Trade 2. Construction 3. Professional, Scientific, and Technical Services

**Includes funds expended for administrative costs*

[76] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Participation Program - MGCC

MGCC is non-profit quasi-public entity chaired by the Secretary of EOHED operating a loan participation program that provides loans of $1million or less directly to small business either as the sole lender or a companion lender, depending on the business's need. Targeted borrowers are small businesses in Massachusetts, including women- and minority-owned businesses and businesses in gateway cities or midsize urban centers that anchor regional economies around the state. The average size of an MGCC loan is approximately $375,000, with SSBCI providing 50 percent of that amount. MGCC underwrites primarily credit lines and contract financing (terms of five year or less) and charges an origination fee of 3 points. Because these are higher risk loans, MGCC charges a minimum interest rate of 10 percent on its loans; however, MGCC also offers technical assistance on financial issues to help its borrowers reduce costs and identify alternative approaches to financing their business. As a result, most MGCC borrowers are able to refinance out of their MGCC loans early, allowing MGCC to recycle their funds more quickly and assist new borrowers.

Loan Participation Program - MBDC

MBDC is a for-profit certified development company that provides a full array of SBA and private financing, and capital investment for small business. It is member-owned and member banks make up a majority of its board of directors. MBDC co-funds loans with SSBCI and its own capital or uses SSBCI to make a companion loan to a bank loan. On companion loans MBDC generally provides 25 percent of the total financing package, on a subordinate basis. The average size of MBDC's participation is about $500,000 (total financing package $1 to $3 million). MBDC conducts its own underwriting and charges a one percent origination fee. Interest rates on MBDC loans are at market (usually around LIBOR plus 4-5 percent) or higher, based on risk. Loan terms vary from two to five years.

Capital Access Program

The Massachusetts CAP requires combined borrower and lender contributions from 2 percent to a maximum of 7 percent of the loan amount into a loan loss reserve. MBDC, which operated the state's CAP prior to SSBCI, uses SSBCI funds to match the borrower and lender contributions on a one to one basis. Until February 2015, MBDC used additional state funds to overmatch the CAP above SSBCI's support with an additional 1.5 percent contribution (with that overmatch increasing to 3 percent for loans made to businesses in gateway cities). State budget cuts eliminated the resources available for the state overmatch.

Credit Support Program Outcomes

Through December 31, 2015, Massachusetts' SSBCI credit support programs supported 776 loans using $16.7 million in SSBCI funds. These credit support programs generated $110.3 million in total financing or $6.60 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain over 8,700 jobs. See Table MA-2 for additional credit support program outcomes.

Massachusetts primarily collects data on the required Treasury reporting metrics, but the state also monitors the amount of lending that occurs in cities targeted by the state for economic development.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Massachusetts partnered with existing quasi-public lenders that were already making loans and were able to deploy funds quickly as a result.
- In initiating the program quickly, the state used its SSBCI funds for loans before fully understanding some of the SSBCI requirements. The implementation of a centralized compliance review process in 2013 significantly improved the state's ability to confirm that the loans met SSBCI eligibility requirements.
- Communicating the compliance plan to stakeholders, especially partner lenders, might have helped to make sure everyone understood what was possible under SSBCI and what was not allowed.
- Massachusetts partnered with alternative lenders, a model that can be useful in deploying capital quickly, but does not engage the banking industry in leveraging private financing for small businesses.

Michigan

PROGRAM PORTFOLIO OVERVIEW[77]

Using $79.1 million in SSBCI allocation, Michigan operates three credit support programs and a venture capital program. With the SSBCI program portfolio, the state sought to provide a broad spectrum of financing assistance for industries that are important for the state.

The Michigan Economic Development Corporation (MEDC) manages the program as the Michigan Business Growth Fund (MBGF). MEDC is a quasi-public organization that offers business assistance services and capital programs for business attraction and acceleration.

Table MI-1: Michigan's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
MBGF – Collateral Support Program	Collateral Support	$43.8 million	Michigan Economic Development Corporation
MBGF – Loan Participation Program	Loan Participation	$25.1 million	Michigan Economic Development Corporation
Michigan Capital Access Program	Capital Access	$2.2 million	Michigan Economic Development Corporation
Michigan Loan Guarantee Program	Loan Guarantee	$2 million	Michigan Economic Development Corporation
Small Business Mezzanine Fund	Venture Capital	$6 million	Michigan Economic Development Corporation

Combined Program Outcomes

Michigan supported 821 loans and investments that generated almost $477 million in total financing through December 31, 2015.

Table MI-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
821	$73.8 million	$16 million	$476.6 million	$580,500	6.5:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
10,084	4 FTEs	5 years	32%	40%	1. Manufacturing 2. Retail Trade 3. Transportation and Warehousing

**Includes funds expended for administrative costs*

[77] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Collateral Support Program

The Michigan Business Growth Fund – Collateral Support Program (MCSP) has been the most active of all SSBCI credit support programs in Michigan and has recycled approximately 29 percent of its funding through December 31, 2015. The program allows for collateral support up to 49.9 percent of the loan amount. A majority of financial institutions request collateral support in the amount of 33 – 49.9 percent of the total loan. MEDC charges an annual fee for collateral support in order to encourage the borrower and lender to release the state support as quickly as possible. Michigan has found that banks and credit unions of all assets sizes use the program, including large national banks. Additionally, the program is easy for banks to use as the loans are not technically "re-underwritten" but reviewed by an analyst to confirm the financial institution's legitimate need for collateral support, appropriateness of the structure, and the perceived level of risk of the project.

Loan Participation Program

MEDC purchases up to 49.9 percent of a loan, with the maximum participation of $5 million through the Michigan Business Growth Fund – Loan Participation Program (MLPP). All participations are purchased on a pari passu *basis.* MEDC may defer principal repayment or forego interest for a period up to 36 months, an option that typically funds expansion efforts with a short term cash flow constraint. Only around 20 percent of MLPP projects include any grace period on repayment. The MLPP has been successful with 14 percent of the funds recycled into new loans.

Capital Access Program

Michigan's state-funded CAP was one of the earliest state programs of this type and SSBCI expanded the state's CAP. Borrowers pay from 1.5 percent to 3.5 percent of the enrolled loan amount into a loan loss reserve account, which the lender matches so that total contributions range from 3 to 7 percent. Michigan then matches the combined borrower and lender contributions on a one to one basis. Michigan has been successful with sustained program usage by numerous banks of every asset size, with an average loan size of less than $100,000. Enrollment of loans is simple and streamlined, as the financial institutions are qualified and registration of a specific loan is completed through a one-page application form.

Michigan reallocated $2 million of its original CAP allocation of $4.2 million to the new Michigan Loan Guarantee Program (LGP). Despite strong demand and bank partnerships, the CAP deployed more slowly than MEDC expected due to challenges standing up the SSBCI CAP. The SSBCI CAP had different documentation requirements compared to the state's original program. In addition, participating lenders had to establish a second loan loss reserve fund, as SSBCI funding could not be comingled with state funding.

Loan Guarantee Program

Michigan designed its LGP to reach micro and small businesses through non-bank CDFIs. Michigan provided a 20 percent first loss guarantee for loans made by CDFIs for the purpose of funding small business loans.

Credit Support Program Outcomes

Through December 31, 2015, Michigan supported 815 loans from $71.5 million in SSBCI funding. The credit support programs have generated $464 million in total financing or $6.50 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain almost 10,000 jobs.

All of Michigan's programs promote diversification or expansion in one of the qualified industries: mining, manufacturing, research and development, wholesale and trade, film and digital media productions, office operations, or high technology.

Table MI-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
815	$71 million	$16 million	$463.6 million	$568,800	6.5:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
9,977	4 FTEs	5 years	32%	40%	1. Manufacturing 2. Retail Trade 3. Transportation and Warehousing

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Even though each CDFI is pre-qualified, disbursements via the LGP were slow because each loan must be individually approved.
- One key to deployment in all programs is continual marketing efforts to both lenders and management.
- The success of CSP in the state led many other states participating in SSBCI to adopt the "Michigan model" as a best program design practice.
- Integration of the SSBCI funds into existing programs took longer than expected due to SSBCI documentation requirements.

VENTURE CAPITAL PROGRAM

The Michigan Small Business Mezzanine Fund (SBMF) is a $6.0 million venture capital program managed by MEDC. It represents 7.5 percent of the state's $79.2 million SSBCI allocation. SBMF is one program in a very large portfolio of MEDC-managed economic development investment funds. The state-funded portfolio includes $100 million of venture capital and private equity investments under the $295 million Jobs for Michigan Investment Fund.

Due to the large existing state commitments to venture capital investments and the perception that the state's greatest market need at the time of its SSBCI allocation was lending support to manufacturers in need of working capital, SBMF invests in later stage growth businesses seeking *mezzanine* capital which is typically structured as subordinated debt with the potential for equity participation or some other returns incentive aligned with the company's growth.

Venture Capital Program Design and Operations

SBMF was designed to allow MEDC to invest directly in small businesses or to invest in venture funds. Late in 2012, SBMF invested $425,000 of SSBCI capital in an investment round led by Arctaris, a mezzanine capital investment fund that uses royalties in lieu of equity participation to enhance investor returns from loans to growing small businesses. Based on the positive experience from the initial investment, MEDC elected to commit $4.5 million to a new fund called the Arctaris Michigan Income and Principal-Protected Growth Fund, LP. With this commitment, Arctaris closed an additional $18 million of Limited Partner (LP) investments, creating a $22.5 million fund investing exclusively in Michigan growth businesses. Under the terms of the LP agreement, SBMF fully participates in 6 percent interest payments and 80 percent of profits above the return of principal plus interest payments; however, if fund returns fall below the return of principal plus 6 percent annual interest, SBMF's share of the fund will absorb 75 percent of the shortfall up to a full loss of its $4.5 million investment.

Figure MI-4: SBMF Program Structure

Venture Capital Program Outcomes

Through December 31, 2015, SBMF expended $2.3 million out of its $6 million allocation. SSBCI investments from the program have generated $13 million of new capital investment or $5.70 in new capital for every $1 in SSBCI funds spent. Businesses reported that the SBMF investments will help create or retain approximately 100 jobs.

Table MI-5: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
6	$2.8 million	$0	$13.0 million	$2.17 million	4.6:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
107	21 FTEs	4 years	33%	0%	1. Manufacturing 2. Information

**Includes funds expended for administrative costs*

Additionally, the program manager also collects data on SSBCI capital invested along with co-invested private capital leverage, the total employment (as reported by investment managers), and the geographic location of small business investments.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Compared to many peer states, Michigan has invested significant resources in state-sponsored venture capital funds for economic development purposes over the past decade. Program managers noted that they manage SSBCI programs as a component of a much larger state-sponsored economic development portfolio.
- The strategy to use SSBCI capital for a later-stage investment strategy reflects a decision to focus resources towards small businesses not already served by the existing portfolio of funds or investment programs.

Minnesota

PROGRAM PORTFOLIO OVERVIEW[78]

Using $15.4 million in SSBCI allocation, Minnesota operates three credit support programs and a venture capital program. With the SSBCI program portfolio, the state sought to help lenders that need to increase their capacity to do small business lending.

The Minnesota Department of Employment & Economic Development (DEED), which promotes business recruitment, expansion, and retention; international trade; workforce development; and community development, manages the program.

Table MN-1: Minnesota's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Emerging Entrepreneurs Fund	Loan Participation	$34 million	Minnesota Department of Employment & Economic Development
General Loan Guarantee Program	Loan Guarantee	$1.5 million	Minnesota Department of Employment & Economic Development
Capital Access Program	Capital Access	$500,000	Minnesota Department of Employment & Economic Development
Angel Loan Fund	Venture Capital	$6.8 million	Minnesota Department of Employment & Economic Development

Combined Program Outcomes

Minnesota supported 228 loans and investments that generated almost $167 million in total financing through December 31, 2015.

Table MN-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
227	$10.6 million	$0	$160.7 million	$707,800	15.2:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
3,323	2 FTEs	4 years	48%	19%	1. Manufacturing 2. Accommodation and Food Services 3. Retail Trade

**Includes funds expended for administrative costs*

[78] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Participation Program

The Emerging Entrepreneurs Fund (EEF), a loan participation program that engages 11 pre-approved nonprofit lenders (mostly CDFIs) selected through a competitive process, is the state's most active SSBCI credit support program. The program helps the nonprofit lenders lend in LMI areas. These lenders received a no fee, zero interest loan for 10 years (through 2022) so that they could make direct loans or purchase participation in loans made by other lenders. The participating lenders can purchase or contribute up to 50 percent of a loan using SSBCI funds. The maximum loan amount is $150,000 for the program, but most transactions are $50,000 or less. The CDFIs are primarily making loans to micro-businesses for a wide array of purposes. SSBCI is pari passu with the CDFI in these instances. However, in some cases, the CDFI may purchase a participation in a larger bank loan on a subordinated basis. In these cases, the SSBCI portion of the purchase is limited to 50 percent of the CDFI's purchase (not the total loan amount).

Loan Guarantee Program

The General Loan Guarantee program provides a 70 percent guarantee on loans made by CDFIs and non-profit lenders. CDFIs have been the primary vehicle for offering the guarantees, which have a maximum of $5 million. The guarantees are for the term of the loan, most of which have in the 5- to 7- year range, and carry a fee of 0.25 percent of the guarantee amount. Most of the guaranteed loans finance machinery, equipment, or real estate.

The program has gained only modest traction because there appears to be little interest in loan guarantees outside the state's very active SBA loan program.

Capital Access Program

Minnesota's SSBCI program revived a CAP that operated between 1992 and 2011. Of the three SSBCI programs in Minnesota, the CAP has gained the least traction. Minnesota's CAP requires the borrower and lender each to contribute from 1 percent to 3.5 percent of the loan amount to a loan loss reserve account so that total contributions range from 2 to 7 percent. The state uses SSBCI funds to match the borrower and lender contributions on a one to one basis. Two CDFIs, Northland Foundation in Duluth and the Metropolitan Consortium of Community Developers in Minneapolis, have enrolled 33 and 38 of the 71 CAP loans, respectively.

Credit Support Program Outcomes

Through December 31, 2015, Minnesota had made 210 loans from $7.7 million in SSBCI funding. The credit support programs have generated $127.3 million in total financing or $16.50 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain approximately 3,000 jobs. While a variety of industries have benefited from the EEF, SBLG, and CAP programs, personal services and manufacturing businesses have received nearly half of the loans and more than half of the amount loaned. SSBCI enabled the state to expand the footprint of the EEF program statewide. Previously, the program was limited to lenders in the Twin Cities. All of the participating lenders have completed multiple EEF projects with the most activity undertaken by the Metropolitan Consortium of Community Developers, the Metropolitan Economic Development Association, the Neighborhood Development Center, and the Northeast Entrepreneur Fund. The Northland Foundation has been the most active lender in the SBLG and CAP programs.

Table MN-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
210	$7.7 million	$0	$127.3 million	$606,100	16.5:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
3,010	2 FTEs	4 years	50%	20%	1. Manufacturing 2. Accommodation and Food Services 3. Retail Trade

**Includes funds expended for administrative costs*

Minnesota has generated 50 percent of their loans in LMI areas, well above the national average of 42 percent. Furthermore, Minnesota's investment in providing interest-free loans to CDFIs has helped expand their capitalization substantially and expand their experience in providing small business loans.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- EEF appears to have addressed a niche in assisting nonprofit lenders to leverage private capital for small businesses located in LMI areas.
- The fees required to generate the CAP loan loss reserve made the loans too expensive for the types of loans that the state wants to see made to small businesses in LMI areas.
- Anticipating demand for new programs proved to be difficult, and Minnesota found that it underestimated the amount of time required to launch a new program. This was particularly problematic for SSBCI, which emphasized the quick delivery of loans to jumpstart lending.
- Lenders willing to engage with the state in developing new programs rarely participated in the subsequently implemented programs because they were operating in a rapidly changing market themselves, had different lending priorities than the public sector, or anticipated that the public sector would be more risk tolerant than it actually was. Lender relationships are vital, even in the program design phase, because lenders unfamiliar with DEED who offered program design ideas were seldom willing to participate even if their ideas were adopted.

VENTURE CAPITAL PROGRAM

The Angel Loan Fund (ALF) is Minnesota's $6.7 million venture capital co-investment program. This new program complements an existing Minnesota angel investor tax credit program. ALF provides small businesses that register for the angel investor tax credit program and pass a qualitative review by DEED with a 7-year, non-recourse, zero percent interest loan for the lesser of $250,000 or 10 percent of the current investment round. Businesses agree to repay the loan with a 30 percent premium if the company is sold prior to the maturity date of the 7-year loan. At its start, ALF was designed to bridge the capital needs of angel-backed startup businesses in Minnesota should there be a gap in state support for the angel tax credit program. ALF investments are focused on seed and early stage technology businesses in Minnesota currently raising capital and needing assistance in accelerating the close of investment rounds.

Venture Capital Program Design and Operations

ALF is an agency-managed direct investment fund where the investment amount and structure is prescriptive. ALF is designed to support small businesses raising seed and early stage investment capital from primarily angel investors to accelerate the close of an active investment round by providing a non-dilutive no-interest loan. The program leverages an angel investor tax credit program by requiring ALF applicants to first pre-qualify for the angel tax credit program. Program managers at DEED perform an independent, qualitative review and may reject applicants based on concerns about the viability of the business, but the requirement to raise private capital at a 10 to 1 ratio greatly reduces the number of nonviable applicants. DEED will pre-approve applicants for ALF and allow one year to raise at least 70 percent of the targeted capital raise prior to executing a loan agreement for no more than 10 percent or $250,000 of the actual amount raised.

Figure MN-4: ALF Program Structure

Minnesota Department of Employment and Economic Development (DEED)
State Applicant

Angel Loan Fund
New State VC Program Operating as an Authorized Co-Investment Fund

SSBCI Funds Invested in Small Businesses
Zero-interest loans at pre-determined ratio to private investment

Venture Capital Program Outcomes

Through December 31, 2015, ALF expended $3.1 million in SSBCI funds and generated $40 million in total financing or $12.60 in total financing for every $1 in SSBCI funds spent. ALF helps small businesses accelerate the closing of larger investment rounds by shortening the gap between the amount of committed capital and the minimum capital required to execute an initial closing of an investment round. In some cases, small businesses with investment commitments may work for several months to aggregate enough investors to close a round, so ALF participation may allow small businesses to reach financing goals more quickly and focus resources on growing the business. Because businesses receiving a commitment of ALF investments have up to a year to close the investment round, expended funds may significantly lag obligated funds.

Table MN-5: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
17	$2.9 million	$0	$33.4 million	$2.0 million	11.6:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
313	4 FTEs	4 years	35%	0%	1. Manufacturing 2. Professional, Scientific, and Technical Services 3. Wholesale Trade

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Prior to SSBCI, the program manager had limited experience managing equity investment programs.
- Despite positive initial guidance from angel investing experts, the program manager's initial venture capital program received no substantive interest from investors when it was introduced. After modifying the program to introduce ALF and reallocating substantially more capital to the venture capital program, program managers at DEED observed significant interest and activity in the program.

Mississippi

PROGRAM PORTFOLIO OVERVIEW[79]

Using $13.2 million in SSBCI allocation, Mississippi operates a single credit support program – the Mississippi Small Business Loan Guarantee Program (SBLGP).

The Mississippi Development Authority (MDA), the state's lead economic and community development agency administers the SSBCI program.

Table MS-1: Mississippi's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Mississippi Small Business Loan Guarantee Program	Loan Guarantee	$13.2 million	Mississippi Development Authority

Program Outcomes

Mississippi supported 116 loans that generated $83 million in total financing through December 31, 2015.

Table MS-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
116	$11.3 million	$0	$83.1 million	$716,700	7.3:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,006	2 FTEs	1 year	28%	48%	1. Agriculture, Forestry, Fishing and Hunting 2. Retail Trade 3. Manufacturing

[79] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAM

Loan Guarantee Program

The SBLGP provides a maximum 80 percent guarantee on loans up to $10 million. The maximum term for a guarantee is 15 years. Terms of the SBLGP changed substantially after the first year of program operations, when Mississippi had difficulty gaining traction in the banking community with the new program. MDA increased the guarantee to 80 percent from 50 percent to encourage participation from lenders.

The SBLGP targets to small businesses located in LMI communities, serving minority communities, or representing disadvantaged business enterprises. There are no pre-specified targets for these demographics.

Credit Support Program Outcomes

Through December 31, 2015, MDA expended $11.3 million in SSBCI funds in 116 transactions that generated $83 million in total financing or $7.30 in total financing for every $1 in SSBCI funds spent. Businesses reported that these loans will help create or retain approximately 1,000 jobs. More than a third of all loans went to enterprises in the agricultural sector. See Table MS-2 above for additional credit support program outcomes.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Effective onset marketing is vital to success. HOPE Enterprise Corporation (HOPE) was hired to assist with these efforts. HOPE completed a survey of banks, created a pamphlet, and conducted marketing outreach for the program. A market assessment helped the program manager alter both the program structure and the approach taken when partnering with banks.
- Mississippi needed to develop a strategy to avoid concentration any one target industry (i.e., agriculture in this case).
- Program staffing requires that certain duties (such as marketing and outreach) be separated to ensure that the program is implemented successfully.
- Having flexibility in program design allows the program manager to better respond to market conditions, particularly in a changing environment, and to serve a diverse set of industries.

Missouri

PROGRAM PORTFOLIO OVERVIEW[80]

Using $26.9 million in SSBCI allocation, Missouri operates a venture capital program called the Missouri IDEA Fund and a loan participation program through the state's existing Grow Missouri Loan Fund. The Grow Missouri Loan Fund has been used for a few loans, but SSBCI has not been active with the program since 2014.

A new state venture capital program, the Missouri IDEA Fund focused on innovation, development, and entrepreneurship advancement. Missouri initiated the program to promote the formation and growth of small businesses across the business financing lifecycle, with an emphasis on encouraging research commercialization and technology transfer.

The Missouri Department of Economic Development administers the IDEA Funds, and assigns investment management responsibilities by contract to the Missouri Technology Corporation (MTC), a quasi-state organization. As the nonprofit investment manager, the MTC accepts and evaluates applications directly from businesses through a competitive review process, with the investment opportunities often referred by organized angel investor groups or regional venture capital funds.

Table MO-1: Missouri's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Grow Missouri Loan Fund	Loan Participation	$2.9 million	Missouri Department of Economic Development
Missouri IDEA Fund	Venture Capital	$24 million	Missouri Technology Corporation

Combined Program Outcomes

Missouri supported 87 loans and investments that generated almost $306 million in total financing through December 31, 2015.

Table MO-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
87	$23.0 million	$225,000	$305.6 million	$3.51 million	13.3:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,496	2 FTEs	3 years	45%	2%	1. Professional, Scientific, and Technical Services 2. Manufacturing 3. Information

**Includes funds expended for administrative costs*

[80] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAM

Loan Participation Program

The state initially provided credit support through a Loan Participation Program operated as part of the Grow Missouri Loan Fund. The program assisted two businesses in early 2014 totaling $1.9 million in SSBCI expenditures, but the program has been largely inactive because the legislature made no new authorizations to support the Grow Missouri Loan Fund.

Credit Support Program Outcomes

Through December 31, 2015, the Grow Missouri Loan Fund expended $2.1 million or 73 percent of its SSBCI allocation to support 3 loans, and generated $17 million in total financing.

Table MO-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
3	$2.1 million	$0	$17.0 million	$5.65 million	8.0:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
142	22 FTEs	10 years	33%	0%	1. Manufacturing 2. Professional, Scientific, and Technical Services

**Includes funds expended for administrative costs*

VENTURE CAPITAL PROGRAM

The Missouri IDEA Funds' objective is to stimulate private investment and maximize investment leverage by improving the perception among private investors that Missouri has investable deals and by accelerating the closing of investment rounds. The program supports technology businesses broadly, with a focus on emerging strengths such as medical/life science technology. MTC has allotted its resources to the IDEA Funds, four complementary components for unique investment profiles (see Table MO-4).

The first three—TechLaunch, Seed Co-Investment, and Venture Capital Co-Investment programs—are all designed to make equity or convertible debt investments, while the fourth—the Industrial Expansion program—is designed to support growth-stage businesses with low interest loans. MTC commits funding to investees through a competitive application process but follows private sector investor practices in establishing final deal terms. MTC was focused on deploying capital to small businesses without setting aside capital for follow-on rounds. By increasing risk capital supply and leading or participating in due diligence processes, MTC helps businesses gain visibility and favorable impressions from potential investment partners.

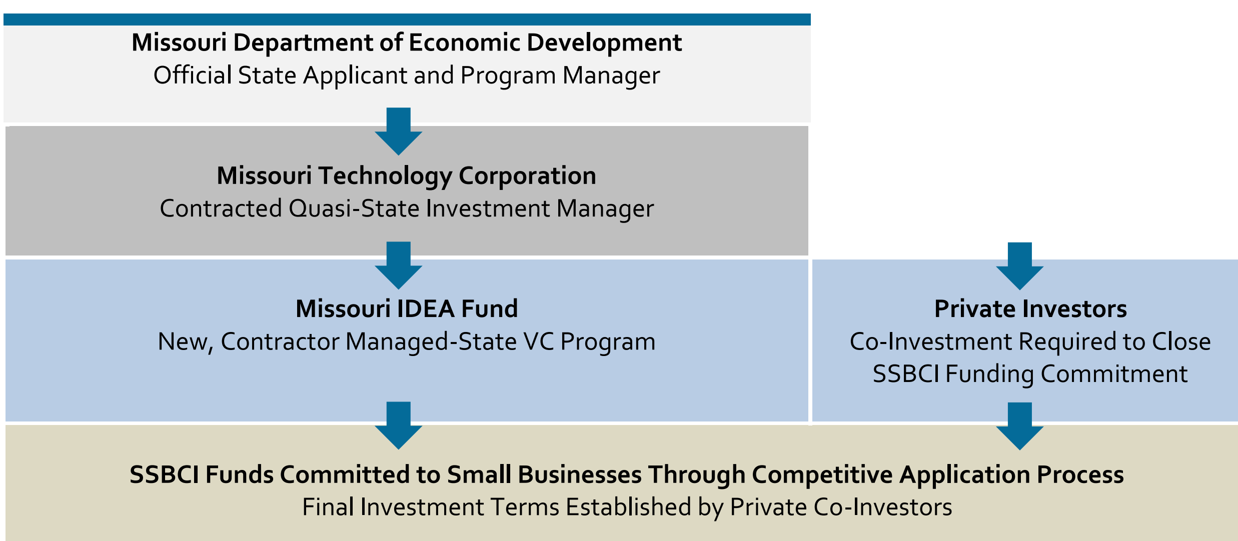
Table MO-4: IDEA Funds Portfolio

IDEA Funds Portfolio Summary			
IDEA Funds Component Name	**Maximum Investment**	**Investment Profile**	**Investment Type**
TechLaunch	$100,000	Pre-seed investment for proof-of-concept tech development and business formation	Equity or convertible debt
Seed Capital Co-Investment Fund	$500,000	Seed investment for early-stage company formation and development	Equity or convertible debt
Venture Capital Co-Investment Fund	$2.5 million	Early-stage investment focused on co-investment with venture capital funds	Equity or convertible debt
High-Tech Industrial Expansion Fund	$3 million	Growth stage investment to follow equity investment rounds	Secured low interest loan

The program manager deploys a rigorous due diligence process, which helps seed and early stage small businesses work become investor-ready to increase the credibility of these opportunities among private sector investors that have received a contingent SSBCI investment commitment. The MTC team performs preliminary assessments on applicants for investment and then scores conforming applications. An Investment Committee, consisting of MTC's directors and private sector advisors, reviews the top scoring applicants in each application cycle and makes recommendations for investment. The MTC board of directors has the final decision on authorizing approved co-investments.

The contingent capital commitments generally have a time limit of three to six months, by which time the company must have met its co-investment requirement. In some cases, the commitments are recalled when a company does not raise enough private capital, or receives more private capital commitments than sought and therefore elects not to include the SSBCI capital in the investment round to simplify its compliance and reporting.

Figure MO-5: Missouri IDEA Fund Program Structure



Venture Capital Program Outcomes

Through December 31, 2015, the IDEA Funds stimulated nearly $290 million of new investment or $13.9 in new investment for every $1 in SSBCI funds spent. Businesses reported the investments will help create or retain over 1,300 jobs. The program manager also noted that its process can catalyze investments that MTC does not ultimately participate in. For example, MTC led the initial due diligence and committed $750,000 to a startup that had not previously received traction with investors. The company leveraged the commitment from MTC to garner interest from other investors, oversubscribed the round, and elected not to accept the SSBCI capital. In fall 2015, the company closed a $17 million Series B venture capital round – results not officially attributed to SSBCI.

Program managers attribute an increase in state funding support for the MTC budget in part to the positive results from the SSBCI program which helped demonstrate market demand and earned credibility with entrepreneurs and private sector investors.

Table MO-6: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
84	$20.8 million	$225,000	$288.7 million	$3.44 million	13.9:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,354	2 FTEs	3 years	45%	2%	1. Professional, Scientific, and Technical Services 2. Manufacturing 3. Information

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- MTC made changes to its governance structures to comply with SSBCI requirements as it was rapidly implementing its programs and deploying capital.
- MTC would likely revisit its policy not to reserve capital for follow-on investments to better support Missouri businesses and achieve balance between generating financial and economic development returns.
- In many cases, businesses that participated in the Seed Capital Co-Investment Program with angel investors were not allowed to participate in the Venture Capital Co-Investment Program with a follow-on round, a policy MTC implemented that was not an SSBCI requirement but that further limited MTC's ability to provide follow-on funding.

Montana

PROGRAM PORTFOLIO OVERVIEW[81]

Using $12.8 million in SSBCI allocation, Montana operates a loan participation program. The Governor's Office of Economic Development (GOED) manages the program and the Montana Department of Commerce (MDOC) and Montana Board of Investments (MBOI) assist in program execution. MDOC is an executive branch state agency and the MBOI board, which has historically managed Montana's loans and investment programs, is appointed by the governor and is administratively attached to MDOC, but operates independently.

Table MT-1: Montana's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Loan Participation Program	Loan Participation	$12.8 million	Governor's Office of Economic Development

Program Outcomes

Montana supported 48 loans through that generated $120 million in total financing December 31, 2015.

Table MT-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
48	$12.3 million	$0	$120.2 million	$2.50 million	9.8:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,009	10 FTEs	11 years	27%	54%	1. Retail Trade 2. Health Care and Social Assistance 3. Manufacturing

**Includes funds expended for administrative costs*

[81] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAM

Loan Participation Program

Montana's Loan Participation Program (LPP) uses a network of approved CDFI and non-profit local economic development agencies with revolving loan funds (RLFs) to close and service transactions. If the lead lender for a transaction is a bank or other similar financial institution, GOED uses SSBCI capital to fund a CDFI/RLF, which in turn purchases a participation in the loan. If the loan is made directly by a CDFI/RLF, GOED uses Montana SSBCI funds to participate directly in the loan made by the CDFI/RLF. The CDFI/RLF retains all interest income earned on the loan and returns repaid principal to an account controlled by the Montana SSBCI program until that CDFI/RLF identifies another eligible borrower. In 2017, when program restrictions lapse, GOED will grant to each participating CDFI/RLF the SSBCI funds that agency has utilized (minus applicable loan losses). The CDFI/RLF will continue to recycle those funds in their ongoing small business loan programs.

Montana evaluated numerous RLFs and CDFIs based on prior experience with the groups, organizational and management capacity, and internal controls. To ensure widespread geographic coverage, particularly in rural areas, Montana approved three CDFIs and six RLFs. Those CDFI/RLFs were able to access Montana's SSBCI funds on a "first-come, first-served" basis.

The SSBCI loan participation can be either subordinated or pari passu, although the majority have been pari passu. Montana will participate in up to 50 percent of a loan, subject to a maximum $500,000 participation amount. The typical size is a $250,000 participation in a $500,000 loan. The interest rate on the participation is typically 5 percent to 6 percent annually, depending on the term of the loan and other factors, but is reduced 5 basis points (0.05 percent) for each job created up to a total reduction of 2.5 percent. Montana will also offer a fixed interest rate on its participation, even if the lead lender's interest rate is variable. The participating CDFI/RLF pays a 0.5 percent annual fee to MDOC for each loan. The SSBCI participation has the same term as the lead lender's loan, with the majority of loans being real estate-based transactions with a 15- to 20-year term.

Montana's program staff completes a separate underwriting analysis of each transaction. A loan committee that includes representatives from GOED, MDOC, and MBOI and has other members with substantial lending experience approves every transaction.

Credit Support Program Outcomes

Through December 31, 2015, Montana's LPP expended $12.3 million to support 48 transactions. The LPP generated $120 million in total financing or $9.80 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain approximately 1,000 jobs.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- A simple set of requirements makes it much easier to sell the program to the banking and small business communities.
- To help ensure an effective distribution network, Montana selected experienced CDFI/RLF lenders that had adequate staffing and systems and proven lending track records.
- By using nine CDFIs/RLFs located throughout the state as its distribution network, Montana helped ensure widespread use of SSBCI funds, including in rural areas. Use of this existing network also minimized staffing expenses associated with the SSBCI program.
- Because program staff had lending experience, the SSBCI program has provided a valuable opportunity for GOED to provide substantial technical assistance to participating CDFIs/RLFs in how to underwrite and

manage larger and more complex loans. Montana will benefit in the long term from this stronger statewide network of small business lenders, particularly in rural areas.

- By distributing SSBCI funds to participating CDFIs/RLFs on a first-come, first-served basis, Montana's SSBCI program was able to quickly deploy its allocation. Because those agencies will retain the SSBCI capital when the federal restrictions expire in 2017, they also had an incentive to underwrite conservatively the loans they make. Finally, because the CDFIs/RLFs retain interest earned, they have an incentive to redeploy repaid principal rapidly.

Nebraska

PROGRAM PORTFOLIO OVERVIEW[82]

Using $13.2 million in SSBCI allocation, Nebraska operates a credit support program and a venture capital program. The Nebraska Department of Economic Development (NDED) oversees both programs and directly operates the Nebraska Progress Loan Fund (NPLF), a companion loan participation program. NDED contracts the management of the Nebraska Progress Seed Fund (NPSF) to Invest Nebraska, a state-sponsored non-profit technology based-economic development (TBED) organization.

Table NE-1: Nebraska's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Nebraska Progress Loan Fund	Loan Participation	$9.24 million	Nebraska Department of Economic Development
Nebraska Progress Seed Fund	Venture Capital	$3.93 million	Nebraska Department of Economic Development

Combined Program Outcomes

Nebraska supported 45 loans and investments that generated almost $62 million in total financing through December 31, 2015.

Table NE-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
46	$10.1 million	$0	$65.8 million	$1.43 million	6.6:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
349	3 FTEs	0 years	39%	39%	1. Professional, Scientific, and Technical Services 2. Manufacturing 3. Information

**Includes funds expended for administrative costs*

[82] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAM

Loan Participation Program

The NPLF provides subordinate companion loans ranging from $50,000 to $2,000,000, with a 3-year term. The NPLF charges a 1 percent origination fee and an interest rate of 2 – 4 percent. NDED operates the program directly, including marketing, underwriting, and loan servicing. NPLF may also purchase a fractional interest in a loan (purchase participation) but has yet to do so.

Credit Support Program Outcomes

Through December 31, 2015, Nebraska's SSBCI loan participation program supported 17 loans using $6.9 million in SSBCI financing. These loans generated $48 million in total financing or $6.80 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain over 200 jobs. The majority of loan proceeds were used for working capital and purchase of equipment.

Table NE-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
18	$7.9 million	$0	$51.7 million	$2.87 million	6.6:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
271	3 FTEs	2 years	17%	78%	1. Manufacturing 2a. Construction 2b. Transportation & Warehousing 2c. Wholesale Trade

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Program income is necessary to sustain program operations. NDED modified its fee/interest rate policies, now charging a 1 percent origination fee and 2 – 4 percent interest rate on its loans. The change in fee structure was made to allow for sustainability of the program.
- For some borrowers a three-year term significantly increased debt service costs. As a result, NDED allowed for a five-year term.
- Stand-alone loans versus Purchased Participation: NDED realized the burden of marketing, underwriting, and servicing a stand-alone loan. NDED had discussions with the Nebraska Bankers Association and lenders about developing a purchase participation program.
- NDED found that developing relationships with both the banking and minority communities is important to program success. NDED hired an individual to run their minority program, leading to a loan for a surgical center in a distressed minority community.

VENTURE CAPITAL PROGRAM

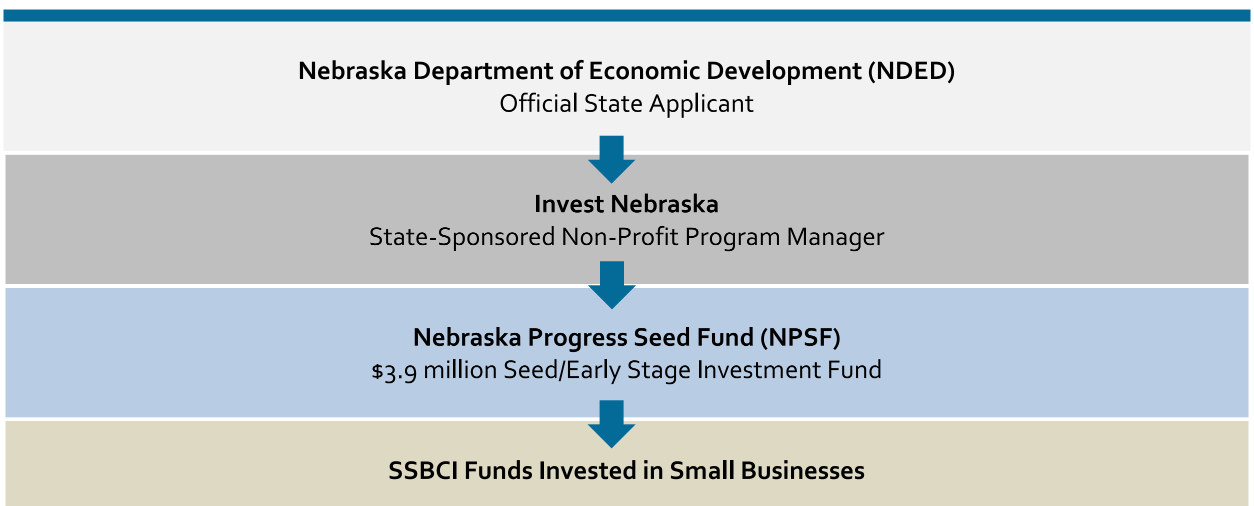
The NPSF complements a state-funded $2 million/year Innovation Seed/Commercialization Fund created by the 2011 Nebraska Business Innovation Act (NBIA) and also managed by Invest Nebraska. NPSF is managed with a goal to maximize financial returns while investing up to $500,000 in seed/early stage technology businesses. The primary goal of the NPSF is to augment and accelerate private sector equity investments in Nebraska startups by providing up to a 1 to 1 match on pari passu investment terms.

Venture Capital Program Design and Operations

The NPSF is designed to help entrepreneurs with seed and early stage startups developing business models designed around innovative technologies. The NPSF helps them to accelerate the close of investment rounds by providing matching investments of up to $500,000. The NPSF makes investments in the form of either equity or mandatory convertible debt, an equity-like structure that defers the valuation of the business until a future financing event. Co-investors are primarily angel investors or angel investor groups, but have included regional private equity funds.

Without leading investment rounds, Invest Nebraska actively works with the state's regional innovation ecosystem to source investment opportunities for NPSF, provide input on pre-investment development plans and refer entrepreneurs to potential lead investors. For example, Invest Nebraska monitors a "pipeline" of 40 to 50 technology startups as it works to place capital in businesses considered likely to produce substantial investment returns. Invest Nebraska works with the University of Nebraska tech transfer organization and several accelerators primarily in Omaha or Lincoln.

Figure NE-4: NPSF Program Structure



Venture Capital Program Outcomes

Through December 31, 2015, Invest Nebraska had invested $2.5 million or 64 percent of the $3.9 million allocated to NPSF and generated $14 million in new capital. Businesses reported that these investments will help create or retain approximately 80 jobs in Nebraska-based businesses. The portfolio experienced an early success after just two years of investing, with one company subsequently raising $11.2 million of follow-on investment capital for a robotic medical device technology.

Table NE-5: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
28	$2.3 million	$0	$14.1 million	$504,700	6.3:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
78	3 FTEs	0 years	54%	14%	1. Professional, Scientific, and Technical Services 2. Information 3. Manufacturing

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Though not part of its original plan, Nebraska committed $300,000 to the NMotion Accelerator program in 2013, which provides $10,000 of SSBCI capital matched by $10,000 of private capital to pre-seed technology businesses. Through 2015, NMotion has funded 19 businesses with SSBCI capital matched by private investors, and four of the businesses have subsequently raised significant follow-on investment rounds. Through this use of SSBCI capital, Invest Nebraska program managers have learned that high-potential businesses developed from accelerator programs can earn substantial leverage on the early investments.

Nevada

PROGRAM PORTFOLIO OVERVIEW[83]

Using $13.8 million in SSBCI allocation, Nevada operates two credit support programs and a venture capital program. With the SSBCI portfolio, the state sought to provide funding to credit-worthy businesses that could not access capital.

The Nevada Governor's Office of Economic Development (GOED) oversees the operation of state's SSBCI-funded programs. Both the Nevada Collateral Support Program (CSP) and the Nevada Microenterprise Initiative (NMI) are new programs, started at the beginning of the SSBCI program. The Battle Born Growth Escalator (Battle Born) is a new venture capital program GOED started in September 2014.

Table NV-1: Nevada's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Nevada Collateral Support Program	Collateral Support	$8.3 million	Nevada Governor's Office of Economic Development
Nevada Microenterprise Initiative	Loan Participation	$500,000	Nevada Governor's Office of Economic Development
Battle Born Growth Escalator	Venture Capital	$5 million	Nevada Governor's Office of Economic Development

Program Outcomes

Nevada supported 20 loans and investments that generated $30 million in total financing through December 31, 2015.

Table NV-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
20	$7.6 million	$0	$30.4 million	$1.52 million	4.0:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
770	7.5 FTEs	3.5 years	45%	5%	1. Administrative and Support and Waste Management and Remediation Services 2. Health Care and Social Assistance 3. Construction

**Includes funds expended for administrative costs*

[83] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Participation Program

Nevada partnered with a NMI, a non-profit CDFI lender, to originate and service microloans. The state lends NMI SSBCI funds at a 3 percent interest rate and NMI deploys the SSBCI dollars by funding fifty percent of each qualifying small business loan.

Collateral Support Program

Nevada allocated $8.3 million to its CSP to support larger commercial loans. Based on the Michigan model, the CSP provides cash collateral to support loans to otherwise credit-worthy businesses that have a collateral shortfall. The lender assesses the collateral value of a potential borrower, and if the loan-to-value (LTV) ratio is less than required, the lender can apply to the Nevada program for a cash collateral deposit, to bring the LTV up to the required level. The lender has a first position lien on the cash account. Nevada charges a 1.5 – 3.0 percent one-time fee for a collateral support deposit of up to 35 percent of the loan amount, targeting loans of $5 million or less. The deposit balance is reduced proportionately with the principal reduction of the loan on an annual basis.

Credit Support Program Outcomes

Through December 31, 2015, Nevada's SSBCI credit support programs expended $5.8 million in 15 loans, and generated $22 million in total financing or $3.80 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain almost 500 jobs.

Table NV-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
15	$5.9 million	$0	$22.2 million	$1.48 million	3.8:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
494	7 FTEs	6 years	40%	7%	1. Administrative and Support and Waste Management and Remediation Services 2. Construction 3. Finance and Insurance

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Nevada had to resolve significant constitutional, legislative, and state administrative issues in order to operate its SSBCI programs. Some of these issues proved challenging for quick and efficient deployment of funds. For instance, the state undertook a significant reorganization of its economic development functions by establishing a new Governor's Office of Economic Development (GOED) which impacted the rate of deployment for disbursements. There is also a requirement that the legislature annually appropriate SSBCI funds to be lent, invested, or recycled which creates additional steps in the administration process.

- It is important to continue active marketing efforts with respect to credit support programs, especially when they are new like the CSP, and to follow up with bankers. As a result of a Bankers Roundtable in Las Vegas in which SSBCI participated, demand for the CSP increased. Additionally, CSP activity increased once a bank president saw the value of the program to his operations and became a power user.
- Nevada has a very limited number of state-based CDFIs, and this has limited the deployment of the microenterprise initiative offering loan participations for microloans.
- The state is focusing its SSBCI program efforts on the broader outcomes of increased private-sector funds leveraged and sustainability. Initially the desire was to move the money out, but presently program pricing, collateral limits, and other program design features are being revisited to make the SSBCI programs sustainable over the long term. GOED is also looking to create a state-sponsored nonprofit that can handle SSBCI investment and lending activity in the future.
- The state would like SSBCI programs to better align with efforts to promote targeted industries and innovation-based economic development.

VENTURE CAPITAL PROGRAM

Battle Born is a state venture capital program initiated with $5 million or 36 percent of Nevada's $13.8 million SSBCI allocation. Battle Born invests in technology-rich, high-growth Nevadan businesses in the state's target cluster industries. In a state with no pre-existing state-sponsored equity investment program, Battle Born helps Nevada businesses that have self-financed early product or service development or received initial support from local angel investors to recruit investors from out-of-state venture capital firms capable of leading significant rounds and syndications.

GOED's goal for Battle Born is to manage SSBCI capital with the same returns-motivated discipline as private sector venture capital funds, earning investment profits and demonstrating the viability of state-managed seed/early stage equity funds with complementary economic development benefits. With investment returns in mind, Battle Born has focused its investment resources on developing opportunities with early stage businesses that have already achieved some traction through self-funded operations or with local angel investors, potentially offering a potential return of 3x, and having a team of at least two co-founders with substantial commitment to the business and track record of successfully launching a start-up technology-heavy company.

Venture Capital Program Design and Operations

Battle Born is a direct investment venture capital program administered by a state agency, GOED. Investment advisory services are provided by a qualified investment professional engaged under contract with the Nevada SBDC. Both the GOED program manager and contracted investment manager each have more than 10 years of investment experience obtained at major international investment firms and banks. Transactions are typically equity and equity-like investments such as convertible notes. Battle Born is authorized to make investments in three categories: 1) pre-seed stage company investments of up to $100,000; 2) seed stage company investments of up to $500,000; and 3) venture stage company investments of up to $1 million. After one year of investment operations, program managers have found that seed stage businesses are best suited for the portfolio, as all five of the initial investments have been in this category.

Under contract with GOED, the Nevada SBDC manages the investment portfolio and Valley Economic Development Center (VEDC) / NMI holds the ownership interests. This complex structure is place because the state constitution prohibits state ownership of private businesses and Nevada was in the process of creating a public benefit corporation authorized to hold investments. Legislation passed in 2015 (AB 17) will enable GOED to create a state-sponsored non-profit entity authorized to manage Battle Born investment processes and hold its investments in small businesses.

While relying on third parties for key administrative and support functions, GOED maintains the authority to approve and manage Battle Born investments. To be considered for an investment, small business owners must "apply" via an online platform, Gust, a global web-based funding platform for the sourcing and management of early-stage investments. Nevada SBDC serves as an investment manager that sources potential investment opportunities and performs a "first-screen." This process eliminates approximately 80 percent of applicant businesses as unsuitable for the portfolio.

A GOED-appointed and managed Investment Advisory Committee then reviews the short list of potential opportunities and votes on which company will enter into an in-depth due diligence process. The investment manager then performs the due diligence work and produces a report submitted to the Investment Advisory Committee. The Committee will review the results and vote on whether advise GOED by recommending or rejecting an investment proposal. GOED ultimately makes the final investment decision.

The Investment Advisory Committee currently has four independent voting members made up of exclusively private sector experts with substantial experience and five non-voting members comprised of three representatives of the state's universities, an independent IP attorney, and the Chief Executive Officer of VEDC.

Figure NV-4: Battle Born Program Structure

Nevada Governor's Office of Economic Development (GOED)
Official State Applicant
Contract Advisory Services Provided by Nevada Small Business Development Center

Nevada Microenterprise Initiative (NMI)
Non-Profit Managed Via Contract by Valley Economic Development Center (VEDC)

Battle Born Venture Fund Equity
$5 million State Venture Capital Program

SSBCI Funds Invested in Small Businesses

Venture Capital Program Outcomes

From its first investment in September 2014, through December 2015, Battle Born has made investments in five businesses totaling $1.6 million, or 32 percent of the Battle Born venture capital program allocation. All of the investments have been in the seed stage category. Three of the five businesses closed rounds with additional co-investments of $1.76 million leveraging $600,000 of SSBCI capital. The two most recent investments are still marketing investment rounds that are projected to close approximately $4.8 million of private capital from $1 million of SSBCI capital.

Table NV-5: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
5	$1.7 million	$0	$8.2 million	$1.63 million	4.8:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
276	8 FTEs	2 years	60%	0%	1. Information 2. Administrative and Support and Waste Management and Remediation Services 3. Health Care and Social Assistance

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Battle Born is the first equity investment program in Nevada, a state with relatively little venture investing activity. With persistence, GOED was able to retain capable managers to navigate legal and organizational hurdles to enable equity investments in high-potential small businesses.
- Battle Born provides Nevada leaders with an effective case study for future state engagement in the development of innovation ecosystems, including reasonable uses of equity investing programs like Battle Born via enabling legislation.

New Hampshire

PROGRAM PORTFOLIO OVERVIEW[84]

Using $13.2 million in SSBCI allocation, New Hampshire operates four credit support programs and a venture capital program. With the SSBCI program portfolio, the state sought to create jobs that provide a living wage and benefits. SSBCI funds were used to expand three existing credit support programs and create one new credit support program, the Collateral Shortfall Program, which was modeled after the existing Michigan collateral support program. The New Hampshire Venture Capital Fund is a new state program consisting of a single, privately managed venture capital fund investing exclusively in New Hampshire-based small businesses.

The New Hampshire Business Finance Authority (NHBFA) administers the state's programs and SSBCI funds. The NHBFA, established in 1992, is a statewide economic development quasi-public organization that operates credit enhancement programs.

Table NH-1: New Hampshire's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Aid to Local Development Organizations	Loan Participation	$4.2 million	New Hampshire Business Finance Authority
Loan Guarantee Reserves	Loan Guarantee	$2.8 million	New Hampshire Business Finance Authority
Collateral Shortfall Program	Collateral Support	$2.6 million	New Hampshire Business Finance Authority
New Hampshire Capital Access Program	Capital Access	$455,000	New Hampshire Business Finance Authority
New Hampshire Venture Capital Fund	Venture Capital	$3.1 million	New Hampshire Business Finance Authority

Combined Program Outcomes

New Hampshire supported 346 loans and investments that generated almost $172 million in total financing through December 31, 2015.

Table NH-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
346	$12 million	$0	$171.9 million	$496,900	14.3:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
4,743	3 FTEs	6 years	36%	55%	1. Construction 2. Accommodation and Food Services 3. Manufacturing

**Includes funds expended for administrative costs*

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[84] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Participation Program

The state's ten Regional Development Corporations, as well as numerous municipal organizations, provide critical development capacity throughout the state. The financing packages these organizations assemble typically involve multiple funding sources. The Aid to Local Development Organizations loan participation program fills the gaps in available traditional bank financing with subordinated debt from SSBCI. Funds are loaned to the local development organizations which relend the funds to small businesses. SSBCI transactions are typically either subordinated debt to bank loans or partially fund lines of credit provided by the local development organizations.

Loan Guarantee Programs

The Loan Guarantee Reserves Program funded the Guarantee Asset Program (GAP) and Working Capital Line of Credit Guarantee (WAG) programs managed by the NHBFA. WAG provides guarantees up to 75 percent on loans of $2,000,000 or less. The GAP provides guarantees up to 80 percent on loans secured by fixed assets. The fees for the program include a 1 percent closing fee and 1 – 2 percent annual fee based on the outstanding amount of the guarantee.

Collateral Support Program

The new Collateral Shortfall Program serves the needs of businesses that can demonstrate a collateral shortfall when applying for a loan for an expansion project. Loan terms for the program average five years. The maximum NHBFA participation is $500,000 per project except in a case of extraordinary economic development or job creation benefits. NHBFA gives banks the option to establish a cash collateral account or have NHBFA write a subordinated loan to accompany a bank loan. In either instance, NHBFA's exposure is limited to the lesser of the amount needed to bring project debt to 100 percent of the appraised value or 100 percent of project cost.

Capital Access Program

The New Hampshire CAP is a loan portfolio insurance program in which NHBFA provides a matching contribution to a bank's CAP loan loss reserve when that bank extends credit to a qualified small business. The borrower and lender jointly contribute either 3 percent or 4 percent of the loan amount to the bank's loan loss reserve. NHBFA provides a one-to-one matching contribution with SSBCI funding. Through the pre-existing state program, NHBFA provides an additional 50 percent matching contribution with state funds. NHBFA has operated a CAP continuously since 1992.

Credit Support Program Outcomes

Through December 31, 2015, New Hampshire's SSBCI credit support programs expended $10.1 million in 332 transactions. The credit support programs generated $114 million in total financing or $11.30 in total lending for every $1 in SSBCI funds spent. Businesses reported that these loans will help create or retain over 4,300 jobs. While a variety of industries have benefited from the four credit support programs, personal services, business services, and construction businesses have received more than half of the loans. The program manager measures job creation and reports to its board and credit committee annually.

Table NH-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
332	$10 million	$0	$114.3 million	$344,300	11.4:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
4,311	3 FTEs	6 years	36%	56%	1. Construction 2. Accommodation and Food Services 3. Manufacturing

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Local development organizations report that over time there has been less flexibility in the Aid to Local Development Organizations program, and that they would like to have the ability to use SSBCI money in conjunction with other programs, for example, SBA.
- The NHBFA has found that listening to clients (bankers and borrowers) about their problems and financing needs can help improve the products they offer. This feedback helped NHBFA better understand market conditions and led to the creation of the Collateral Shortfall program.

VENTURE CAPITAL PROGRAM

The New Hampshire Venture Capital Fund is a new state program supported by SSBCI funding. It consists of a single, privately managed venture capital fund (Borealis Granite Fund) with $17 million in total capital raised including $3.37 million in SSBCI funds and $13.63 million in private funds. Through a competitive process managed by the NHBFA, a private investment fund, Borealis Ventures, was selected to raise private capital alongside the SSBCI funds and manage the complete process of identifying investees, conducting investment due diligence, closing investment transactions, and building private investor syndicates.

The program objective is to increase venture capital in New Hampshire by supporting the creation of a new state-focused investment fund that attracts private investors. The fund investment strategy is to support seed- and early-stage businesses with target industries of software, communications, and biotechnology where the investment manager has expertise.

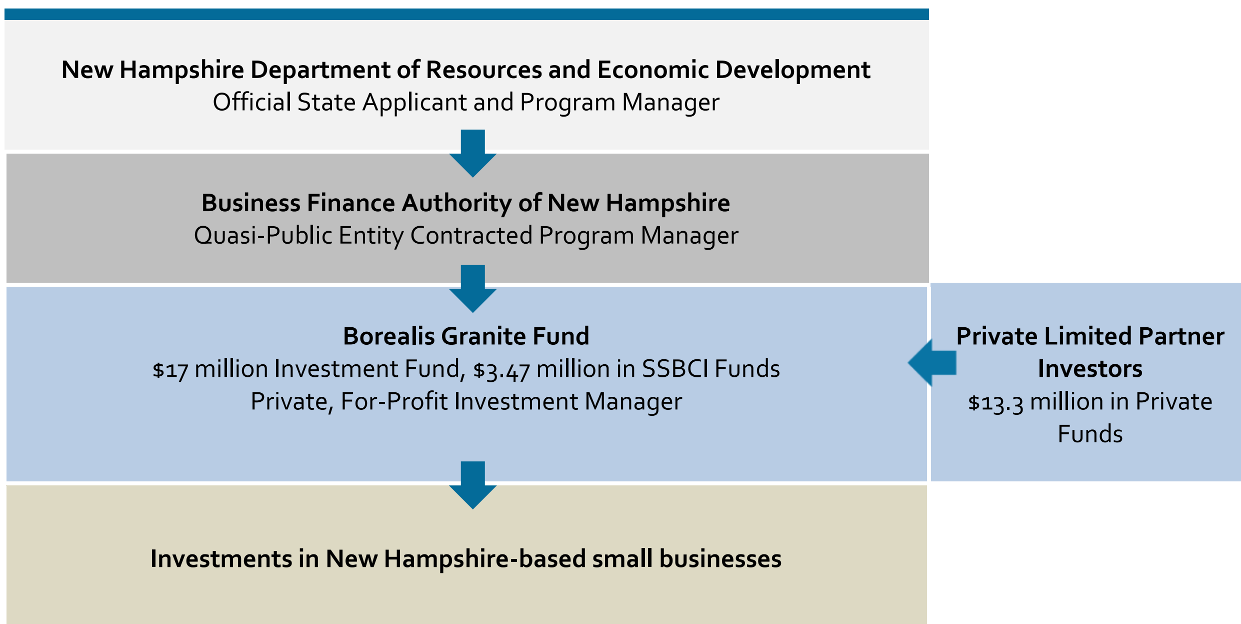
Venture Capital Program Design and Operations

NHBFA participates in the Borealis Granite Fund, which is structured as a limited partner, first-in, last-out position, where the other private limited partners in the fund are paid back first before NHBFA receives its return of principal and share of investment profits. This structure means that in the event the investment fund underperforms and loses money, the subordinated SSBCI funds provide private investors with downside protection. The decision to offer a liquidation preference was made to attract private, institutional investors into the fund that might not otherwise participate in a fund restricted to investments in the state of New Hampshire.

Most small investments are transacted as convertible debt notes with warrants provided at the seed stage and at some Series A equity rounds. The investment manager often leads investment rounds with an investment strategy to participate in follow-on financing rounds of portfolio businesses. The fund plays a substantial role in mentoring early-stage businesses and connecting businesses to investors in the major investment hubs along the east coast.

As a small state with limited access to institutional venture capital, private co-investment participants are most often-individual angel investors for early-stage transactions. The program experienced occasional private co-investment from institutional venture capital investors in Boston and New York. During the proposal and early implementation phase, the investment manager projected an investment portfolio between 10 and 20 small business investments, depending on the mix of seed and early-stage businesses and the final fund value size, which were unknown at the time of the investment strategy proposal. Fourteen small businesses have received SSBCI investment as of December 2015.

Figure NH-4: New Hampshire Venture Capital Program Fund Structure - Borealis Granite Fund



Venture Capital Program Outcomes

Through December 31, 2015, the New Hampshire Venture Capital Fund invested $1.9 million or 62 percent of its $3.1 million allocation in 14 investments. The SSBCI investments generated almost $58 million in new capital or $29.9 in new capital for every $1 in SSBCI funds spent. Businesses reported the SSBCI investments will help create or retain over 400 jobs.

Table NH-5: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
14	$2 million	$0	$57.6 million	$4.12 million	29.2:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
432	9.5 FTEs	2 years	57%	43%	1. Professional, Scientific, and Technical Services 2. Information

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- The program managers noted that estimating a realistic time line and fundraising target for attracting private investors to a new venture capital fund was a challenge. The process takes longer than was initially anticipated.
- Attracting private institutional investors to participate in a new fund in an underserved area is also likely to be more difficult than planned, even with non-traditional incentives such as a liquidation preference. This innovative design feature of the New Hampshire Venture Capital Fund helped the fund attract private financing, but new fund formation is a real challenge in non-coastal markets.
- In addition, the program manager communicated the need for a comprehensive marketing and communications plan designed to highlight the benefits of state-sponsored capital programs with both financial and economic development return expectations.

New Jersey

PROGRAM PORTFOLIO OVERVIEW[85]

Using $33.8 million in SSBCI allocation, New Jersey operates three credit support programs and a venture capital program. SSBCI funds have been used to support three existing credit support programs: the New Jersey Credit Guarantee Program (CGP), the New Jersey Direct Loan Program (DLP), and the New Jersey Loan Participation Program (LPP) and an existing, early stage venture capital program: the New Jersey Venture Capital (VC) Fund Program

The New Jersey Department of Treasury (NJDT) contracted with the New Jersey Economic Development Authority (NJEDA) to administer all four SSBCI programs. Founded in 1974, NJEDA is an independent, state authority which is self-funding.

Table NJ-1: New Jersey's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
New Jersey Loan Participation Program	Loan Participation	$14.25 million	New Jersey Economic Development Authority
New Jersey Direct Loan Program	Loan Participation	$9.3 million	New Jersey Economic Development Authority
New Jersey Credit Guarantee Program	Loan Guarantee	$3.45 million	New Jersey Economic Development Authority
New Jersey Venture Capital Fund Program	Venture Capital	$6.8 million	New Jersey Economic Development Authority

Combined Program Outcomes

New Jersey supported 41 loans and investments that generated almost $66 million in total financing through December 31, 2015.

Table NJ-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
67	$19.7 million	$0	$106.6 million	$1.59 million	5.4:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,392	17 FTEs	3 years	15%	0%	1. Information 2. Professional, Scientific, and Technical Services 3. Real Estate and Rental and Leasing

[85] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Participation Program – Purchase Participations

Under the LPP, NJEDA purchases up to 50 percent of a loan on a subordinate basis to support transactions with maturities up to five years. NJEDA requires borrowers to create one job for every $50,000 of NJEDA assistance. Pricing is tied to the loan's risk rating and can range from being slightly below the lead bank's rate to significantly below-market. Loan participation percentages range between 15 percent and 50 percent with a median of 33 percent. NJEDA charges a $750 fee at closing.

Loan Participation Program – Direct Loans

The DLP provides a companion loan up to 50 percent of the lending request on a subordinate basis to support transactions with maturities of up to 15 years. NJEDA subordinates on collateral but does not subordinate repayment, and pricing is tied to the loan's risk rating. Direct loans made with SSBCI funds ranged in size from $500,000 to $2.0 million through year-end 2015. NJEDA charges a commitment fee of 0.75 percent and a closing fee of 0.75 percent. Direct loans ranged between 17 percent and 50 percent of the total amount financed with a median of 31 percent. NJEDA uses its internal closing group to prepare loan documentation for DLP loans.

NJEDA's "loans to lenders" product provides direct or companion loan product targets CDFIs, micro-lenders, and other intermediary finance organizations, which focus on the credit needs of small businesses in LMI communities. "Loans to lenders" may carry terms of up to 15 years with interest only for the first 5 years and an interest rate as low as 2 percent. NJEDA requires borrowers to lend the funds only in New Jersey and to report regularly on their entire portfolios, not just the amount funded by NJEDA. Through 2015, five organizations participated in the "loans to lenders" program.

Loan Guarantee Program

New Jersey initially allotted $5.5 million of its SSBCI allocation to the CGP. This amount was subsequently reduced to $3,450,000. The CGP provides a 50 percent guarantee—pari passu with the lender—totaling up to $2 million per transaction. The amount set aside to support the guarantee is equal to the amount guaranteed. The maximum term for loan guarantees is five years although NJEDA will extend the term of the guarantee at maturity if necessary. NJEDA relies on the bank to prepare documentation for CGP transactions. The guarantee fee charged by NJEDA is a function of the guarantee percentage, the term, and the amount of the loan.

Terms common to all three credit support programs include a maximum transaction size of $2 million, a $1,000 application fee, and minimum business age of two years. NJEDA sets rates based on a proprietary risk rating system based which takes account of the project, the principles (such as quality of management and collateral values), and the public purpose of the transaction (such as industry, job creation/retention, and location).

Credit Support Program Outcomes

Through December 31, 2015, NJEDA expended $14.4 million in SSBCI funds to support 28 transactions that generated $48 million in total financing or $3.40 in total lending for every $1 in SSBCI funds spent. Businesses reported the loans will help create or retain approximately 600 jobs. NJEDA used the SSBCI funds to lend to a variety of industries with almost two-thirds of the loans made to borrowers in real estate and rental and leasing, manufacturing, and retail trade industries.

Unlike most states, New Jersey has been able to induce large financial institutions (Prudential and Capital One for example) and large regional banks to participate in its credit support programs. TD Bank is the most active participant in New Jersey's SSBCI credit support programs with seven transactions through year-end 2015, followed by Manufacturers and Traders Bank with six. These banks acquired New Jersey banks whose local operations are still managed by managers who participated in NJEDA legacy credit support programs prior to acquisition. In total, twelve banks have participated in New Jersey's SSBCI credit support programs.

Table NJ-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
28	$14.4 million	$0	$47.8 million	$1.71 million	3.3:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
610	13 FTEs	16 years	25%	0%	1. Real Estate and Rental Leasing 2. Manufacturing 3. Retail Trade

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- By integrating its SSBCI credit support programs into its legacy credit support programs and making them as indistinguishable as possible while maintaining throughout the financial crisis an aggressive marketing effort targeted at bank partners, NJEDA reinforced long standing relationships between itself and its lending partners and facilitated the deployment of its SSBCI funds. This underscores the importance of retaining long-term relationships and communication strategies with lenders.
- Conferring preferred lender status on proven bank lending partners has allowed New Jersey to quickly respond to lender requests facilitating the deployment of its SSBCI funds.
- NJEDA's SSBCI compliance checklist allows staff to communicate unambiguously with lenders and borrowers about the program and has allowed NJEDA to meet SSBCI requirements with minimal difficulty.
- A state needs to make sure that its application is in line with actual practice when it is using SSBCI funds to augment existing programs.
- By carefully designing programs and amending pre-existing documentation and procedures, New Jersey was able to make SSBCI work to recapitalize its legacy programs without having to create new or duplicative programs. This served the needs of NJEDA, its lending partners, and small businesses throughout New Jersey.
- NJEDA has implemented SSBCI through pre-existing programs using personnel, marketing, compliance, and technology resources that were already in place. NJEDA appended its existing loan and investment documentation with the certifications and reporting requirements mandated by SSBCI. The objective was to make NJEDA's legacy and SSBCI programs indistinguishable. NJEDA management believed this was critical for its external audiences, especially its bank partners.

VENTURE CAPITAL PROGRAM

The New Jersey VC Fund Program is an existing venture capital program created by an allocation of $6.8 million in SSBCI funding. NJEDA initiated the VC Fund Program to increase the supply and accessibility of risk capital for New Jersey based-businesses by partnering with regional investment funds to source and manage investments. A primary objective of the program was to build sustainable investment capacity in New Jersey by attracting credible venture capital fund managers and demonstrating overall profitability in the program's investment portfolio.

NJEDA contracted with private investment managers to serve early-stage technology businesses – defined as businesses having less than $5 million in annual revenue – with "technology" broadly defined to include information technology and life science industries. The private fund managers that contracted with NJEDA all have a strong financial track record in the region (PA, NY, or NJ), and have some New Jersey investment track record. The VC Fund Program was created to encourage more New Jersey investment by these regional investors. This need for additional investment has become more critical since the New Jersey Commission on Science and Technology was de-funded and closed.

Venture Capital Program Design and Operations

The specific investment philosophy and deal investment structures were determined by each contracted investment manager and not dictated by NJEDA through the fund manager selection process (i.e., NJEDA did not have investment approval authority on transactions – investment decisions were made by investment funds independent of program manager). However, the early-stage investment focus of the program created an expectation for funds to fill a market gap for Series A financings, with the contracted investment managers often investing the first institutional venture capital in a small business. Investments were transacted as either convertible debt financings or priced equity rounds. The NJEDA board approved the request for proposal process to select investment managers, resulting in three active investment funds participating in the VC Fund Program (see ***Table***).

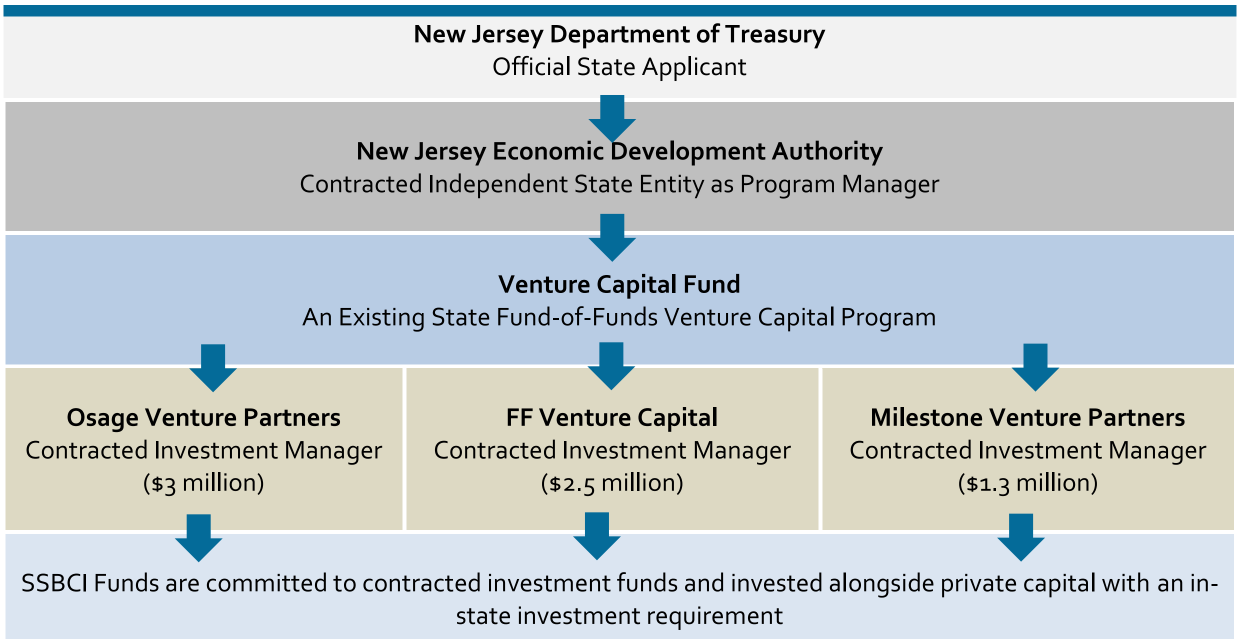
Table NJ-4: New Jersey VCP Contracted Investor Portfolio

Investment Fund Name	SSBCI Allocation ($ million)	Investment Stage	Fund Location & Investment Focus
Osage Venture Partners III	$3.0	Early	Philadelphia, PA; technology/financial tech
FF Venture Capital	$2.5	Seed/Early	New York; technology/media
Milestone Venture Partners	$1.3	Early	New York; healthcare focus
Next Stage Capital II	$0.0*	Early	Audubon, Pennsylvania
*Next Stage Capital initially allocated $1.5 million capital commitment but the funds were subsequently redeployed to a credit support program			

NJEDA structured the program to participate as a limited partner investor in each contracted fund on the same terms as the other limited partners. Through a side letter agreement with each investment fund, NJEDA requested a private capital match on SSBCI funding of at least 2 to 1 from other fund sources in businesses located in New Jersey.

NJEDA worked to market other state incentive and assistance programs across the complete economic development toolkit for high-growth firms while implementing the VC Fund Program. For example, NJEDA staff and partners worked to match businesses with capital investment in part supported by SSBCI and also by "cross selling" other state incentives targeting high growth firms.

Figure NJ-5: New Jersey VCP Structure



Venture Capital Program Outcomes

Through December 31, 2015 the VC Fund obligated $6.8 million to private investment managers and expended $1.6 million or 24 percent. The SSBCI capital expended has generated close to $18 million in total financing or $11 in total financing for every $1 in SSBCI funds spent.

Table NJ-6: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
13	$1.6 million	$0	$17.6 million	$1.36 million	11.0:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
153	9 FTEs	2 years	8%	0%	1. Information 2. Professional, Scientific, and Technical Services

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- During the early-implementation phase, state program managers identified the following observations and assistance opportunities:

    1. NJEDA would have benefitted from peer-to-peer information sharing on how to draft standardized agreements with private investment managers that align with program compliance requirements.
    2. Because the VC Fund Program co-mingles SSBCI funds with private funds in each contracted investment fund, specific guidance on how to account for the flow of SSBCI funds – inside and outside the state – is needed.
    3. In NJEDA's historical experience, a New Jersey dedicated sidecar fund, and the associated concentration, did not offer enough portfolio de-risking and diversification to provide market rate returns. This observation led to the state implementing a model where NJEDA invested in private funds as a Limited Partner.

New Mexico

PROGRAM PORTFOLIO OVERVIEW[86]

Using $13.2 million in SSBCI allocation, New Mexico operates a single credit support program, the New Mexico - Loan Participation Program (LPP), which expands an existing loan participation program and encourages lending in rural and underserved areas.

The New Mexico Economic Development Department (NMEDD) administers the LPP through a partnership with the New Mexico Finance Authority (NMFA).

Table NM-1: New Mexico's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
New Mexico Loan Participation Program	Loan Participation	$13.2 million	New Mexico Economic Development Department

Program Outcomes

New Mexico supported 17 loans that generated almost $51 million in total financing through December 31, 2015.

Table NM-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
16	$7.2 million	$0	$45.3 million	$2.83 million	6.3:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
207	8 FTEs	7 years	38%	13%	1. Health Care and Social Assistance 2. Accommodation and Food Services 3. Manufacturing

**Includes funds expended for administrative costs*

[86] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAM

New Mexico funded a loan participation program using SSBCI.

Loan Participation Program

The NMFA purchases up to 40 percent of a loan to a New Mexico business or nonprofit on either a pari passu or subordinate basis. NMFA participation is limited to $2 million generally and up to $5 million if "significant economic development will occur" because of the credit support. The program manager receives a pro rata share of interest income less a 0.25 percent servicing fee. Participating banks originate and underwrite all loans. NMFA approval requires participating banks to submit their credit analysis and accompanying documentation to NMFA, which in turn completes an independent review and analysis.

The program targets shorter-term working capital loans, and seeks to encourage lending in rural and underserved areas that have difficulty obtaining debt financing because of perceived risk or reduced valuation of assets available as underlying collateral. NMFA designed the program based on a legacy program, the Smart Money Loan Participation Program, expanding the eligible uses to include the purchase of a subordinate position.

Credit Support Program Outcomes

Through December 31, 2015, the LPP expended $8.2 million to support 17 loan participations and generated almost $51 million in total financing or $6.20 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain over 200 jobs. Businesses from a range of industries received loans but are concentrated in two industries: health care and social assistance and manufacturing. See Table NM-2 for additional credit program outcomes.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Selecting an administrator with a history of operating similar programs helped implement SSBCI in New Mexico. Aligning SSBCI funding with an existing program (Smart Money Loan Participation Program) allowed the state to use an established partner and an existing lending network.
- Providing lines of credit (especially short-term lines) has been a key benefit of SSBCI for the state. It attracts business that they would not reach without that capability.
- Direct outreach to banks in the state is critical to increase lender participation and aid program success. In particular, the state felt it could have done a better job with the rollout and initial marketing pitch for the new SSBCI program. In retrospect, the state would have used economic development partners and the Governor to make a big announcement about the new fund.
- Making outreach a priority helped form relationships between the state and banks that did not previously exist and addressed the perception that the SSBCI program was a competitor to SBA programs.
- The program manager noted that branches of large financial institutions may not feel empowered to adopt SSBCI because of corporate protocols.
- A good understanding of administrative law facilitated the implementation of New Mexico's SSBCI program. In New Mexico's case, a modification to existing state law was needed to put its new SSBCI program in place. The state mandates the NMFA to seek legislative authorization to provide loans. However, understanding the rigorous time constraints of the SSBCI funding, the NMFA Legislative Oversight Committee endorsed a moratorium on the legislative authorization requirements, which was fully supported by the Governor and signed into law.

New York

PROGRAM PORTFOLIO OVERVIEW[87]

Using $55.4 million in SSBCI allocation, New York supports two existing credit support programs and a new venture capital program. Empire State Development (ESD), a public-benefit corporation and the state's economic development agency, administers the programs.

Table NY-1: New York's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
New York Bonding Guarantee Assistance Program	Loan Guarantee	$10.4 million	Empire State Development
New York Capital Access Program	Capital Access	$7.9 million	Empire State Development
Innovate New York Fund	Venture Capital	$37 million	Empire State Development

Combined Program Outcomes

New York supported 1,107 loans and investments that generated $400 million in total financing through December 31, 2015.

Table NY-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
1,107	$35.4 million	$0	$333.6 million	$301,400	9.4:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
5,868	2 FTEs	3 years	56%	1%	1. Other Services (except Public Administration) 2. Retail Trade 3. Transportation and Warehousing

**Includes funds expended for administrative costs*

[87] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Guarantee Program

New York designed the Bonding Guarantee Assistance Program (BGAP) to enable small and minority- and women-owned business enterprises construction firms to secure the bid bonds, bid lines, performance bonds, or payment bonds needed to compete for and win New York City and New York State funded contracts. BGAP provides a guarantee of up to 30 percent of the contract dollar amount or $600,000, whichever is less, to the surety company on behalf of the contractor. The surety company provides a bond for the full amount of the contract and BGAP assumes the first loss position (up to 30 percent of the contract) if there is a claim. The program manager requires the surety to conduct an independent credit evaluation on the contractor. BGAP supplements its credit support with technical assistance and counseling to help subcontractors become bond-ready.

Capital Access Program

New York CAP provides a loan loss reserve for a pool of loans enrolled by a participating lender. Lenders (usually a CDFI) and their borrowers contribute a combined 3 percent to 7 percent of an enrolled loan to the reserve that the state matches on a one to one basis using SSBCI funds. The New York CAP allows the lender to determine how the contribution is split with the borrower.

Credit Support Program Outcomes

Through December 31, 2015, the program manager expended $6.5 million in SSBCI funds to support 958 transactions through the BGAP and CAP. Working with 20 non-bank financial institutions, these transactions generated almost $57 million in total financing or $8.80 in total financing for every $1 in SSBCI funds spent. Businesses reported that these loans will help to create or retain almost 4,200 jobs. Businesses in LMI communities received 62 percent of the total number of SSBCI loans.

Table NY-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
958	$6.5 million	$0	$56.8 million	$59,300	8.7:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
4,183	2 FTEs	3 years	62%	0.3%	1. Other Services (except Public Administration) 2. Retail Trade 3. Transportation and Warehousing

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Few traditional banks have been interested in participating in CAP, as is the case across the country. Unlike some states, New York did not have a network of banks that historically participated in CAP.
- CDFIs throughout the state have seen tremendous value in participating in the program, especially higher capacity CDFIs that have the flexibility and volume to make CAP work. Since the CDFIs tend to do a high volume of low dollar loans, New York was able to reallocate $8 million from CAP to Innovate NY while still meeting market needs.
- National CDFIs that have a New York presence (including Accion) have been especially interested in participating in New York's CAP because it allows lenders to determine how they split the loan loss reserve contribution with the borrower.
- The state's surety bond assistance program is unique. Bond guarantee assistance programs have typically not been financially sustainable because it is difficult for new small contractors to succeed and costly for surety companies to underwrite. New York is exploring additional models in order to do more guarantees and encourage more surety participation.
- The BGAP has helped businesses grow and access public contracts. However, small businesses face limits in fulfilling public contracts and accessing sufficient working capital. In response, New York launched "Bridge to Success," a $20 million program to expand access to short term bridge loans for minority- and women-owned business enterprises.
- Engaging individual sureties with SSBCI is extremely challenging because they are not traditional lenders. Many surety companies' lawyers rejected the required SSBCI certifications (e.g., auditing, sex offender, or retention of records), even when their clients had agreed in principle to participate. Surety companies perceive these requirements as intrusive and too burdensome for their business models.
- BGAP's technical assistance component is critical, both for helping contractors become bond ready and also for maximizing the chances that contracts will be completed successfully.

VENTURE CAPITAL PROGRAM

The Innovate New York (NY) Fund Program is a fund of funds state venture capital program. In addition to the SSBCI funds allocated to Innovate New York, ESD attracted $10.3 million in financial support from the Goldman Sachs Urban Investment Group for program administrative expenses and additional investment capital.

In 2010, state economic development leaders participated in a small business task force with regional focus groups to identify small business financing gaps in New York. A consensus emerged from regional stakeholders that seed- and early-stage equity-based capital was not adequately accessible to small businesses, particularly outside of the New York City area. State officials concluded a new state venture capital program was needed to spur small business investment and help diversify the state's economy.

The objective of the Innovate NY Fund is to support seed and early-stage small businesses seeking equity-based investment that are likely to stay in New York and grow, generate revenue, create jobs, and contribute to economic diversification and expansion. As a fund of funds program investing capital through private fund managers, a complementary program goal is to build additional private investment capacity in the form of more funds serving New York's regional ecosystems, creating new touch points.

Venture Capital Program Design and Operations

With SSBCI funds and private funds from Goldman Sachs allocated to the Innovate NY Fund, the program manager contracted with a third party general partner, the Community Development Venture Capital Alliance (CDVCA), to assist with fund administration. The eight investment managers were competitively selected by

ESD, out of approximately twenty applicants reviewed through a formal competitive process, to invest in high-growth potential firms in New York (see Table NY-4).

Table NY-4: Innovate NY Venture Funds

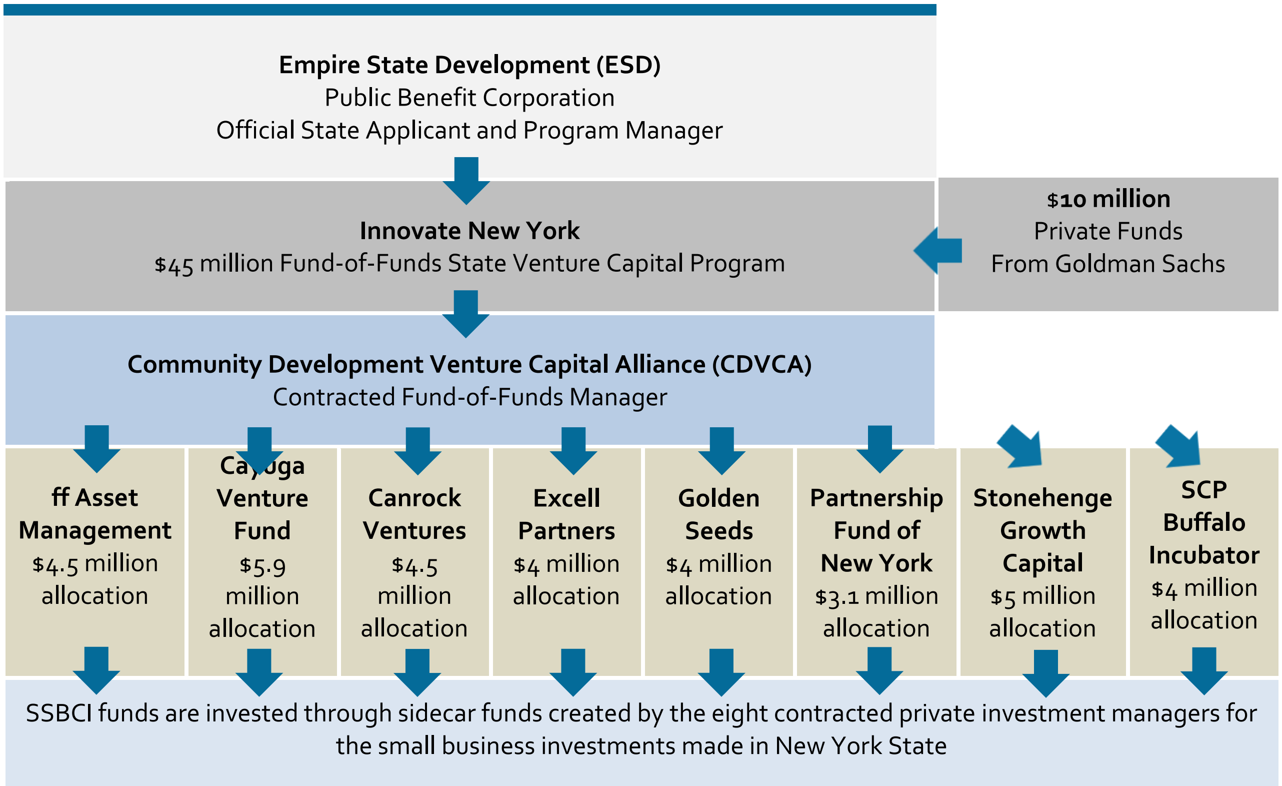
Investment Fund	SSBCI Allocation	Industry Targets	New York State Regions Served
Canrock Ventures*	$4,500,000	Software and IT	Long Island
Cayuga Venture Fund	$5,869,962	Emerging Tech	Central, Southern Tier, Finger Lakes, Western
Excell Partners	$4,000,000	Emerging Tech	Central, Finger Lakes, Southern
ff Asset Management	$4,500,000	Tech, Life Science, Consumer	New York City Metro
Golden Seeds	$4,000,000	Tech, Life Science, Consumer	Statewide
Partnership Fund of New York	$3,139,000	Life Science	New York City Metro
SCP Buffalo Incubator/Z80 Labs	$4,500,000	IT, Digital Media, Life Science	Central, Finger Lakes, Southern, Western
Stonehenge Growth Capital	$5,000,000	Tech, Life Science, Health IT	Statewide

**Innovate NY investments on hold for Canrock Ventures as of November 2013*

All funds are required to secure at least a 2 to 1 match from private sources on its aggregate portfolio at the time of investment, and each fund sets its own investment strategy and investment terms, with an expectation to invest in the form of equity or convertible debt. SSBCI funding may not exceed $500,000 per investment or $750,000 for a biotechnology investment. SSBCI funds are deployed from sidecar or special purpose funds managed by each selected investment manager, with Innovate NY Fund investments made on the same terms as private investors. Private co-investor participation in the program can come from individual angel investors, institutional venture funds, and corporate ventures.

The Innovate NY Fund investment criteria includes a requirement to invest a portion of proceeds in businesses located in lower income communities, or to meaningfully employ individuals from these communities, as well as focus on women- and minority-owned businesses.

Figure NY-5: Innovate NY Program Structure



Venture Capital Program Outcomes

All contracts with funds were executed between December 2012 and February 2013. Since that time, more than $28 million has been invested into 149 businesses across New York. SSBCI capital generated $343 million of new capital investment, of which 32 of the 149 businesses have received one or more follow-on investments. The average initial investment amount of SSBCI funds is $191,000.

Table NY-6: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
149	$28.9 million	$0	$276.9 million	$1.86 million	9.6:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,685	5 FTEs	3 years	19%	6%	1. Information 2. Manufacturing 3. Professional, Scientific, and Technical Services

**Includes funds expended for administrative costs*

The program's financial objective is not to maximize financial returns, but instead to focus on filling the seed- and early-stage financing gap that is not addressed by other state funding programs.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- As a new fund of funds program, lessons were learned on the complexity of establishing a program structure that uses private investment managers. For example, stakeholders learned new methods for setting up administrative systems for fund management, how to create sidecar structures and Limited Partnership (LP) agreements, and how to manage capital calls from multiple private investment funds.
- The requirements of SSBCI resulted in some creative thinking for how to engage and compensate fund managers, deploy funds on a short time line, and implement a conflicts of interest policy. Communicating with SSBCI and receiving technical assistance was helpful in maintaining active oversight of investment managers.
- When risk capital availability is concentrated in one part of a state, specifically seeking investment partners with the capability to serve other regions can help distribute funds to better meet market demands in underserved areas.
- Having targets for serving under-represented populations helped maintain focus on this important outcome.

North Carolina

PROGRAM PORTFOLIO OVERVIEW[88]

Using $46.1 million in SSBCI allocation, North Carolina operates two credit support programs and a venture capital program. With SSBCI, the state sought to provide a broad spectrum of financing assistance to meet the debt and equity investment needs of high-growth potential small businesses. One of the SSBCI programs, the Capital Access Program (CAP), operated successfully between 1994 and 2007 until funds were no longer available. The other two programs were newly created with SSBCI funds.

The North Carolina Department of Commerce contracted with the North Carolina Rural Economic Development Center (Rural Center), a private nonprofit organization devoted to rural economic development and advancement, to administer the programs. While the Rural Center's primary service area is 85 rural North Carolina counties, the agency provides SSBCI financing to lenders and borrowers in all 100 counties.

Table NC-1: North Carolina's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
North Carolina Loan Participation Program	Loan Participation	$34 million	Rural Center
North Carolina Capital Access Program	Capital Access	$1.8 million	Rural Center
North Carolina Venture Capital Fund of Funds Program	Venture Capital	$10.3 million	Rural Center

Combined Program Outcomes

North Carolina supported 643 loans and investments that generated $563 million in total financing through December 31, 2015.

Table NC-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
642	$44.0 million	$2.3 million	$563.3 million	$877,400	12.8:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
9,897	5 FTEs	5 years	17%	13%	1. Professional, Scientific, and Technical Services 2. Health Care and Social Assistance 3. Manufacturing

**Includes funds expended for administrative costs*

[88] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Participation Program

North Carolina created the NC-LPP program to address significant declines in collateral values and more stringent loan-to-value requirements for commercial loans. The NC-LPP allows the Rural Center to buy participations on a subordinated basis in term loans of up to 15 percent of the total loan amount for a maximum of 10 years. That shifted from an earlier enhancement of up to 20 percent or as much as a $750,000 participation in loans as large as $5 million. For many deals, the loan structure is based on a 5-year term using a 20-year amortization as is commonly used in the types of loans that finance owner-occupied real estate.

Lenders were attracted to the NC-LPP because it provides credit enhancement for near-bankable deals with no fees and limited required forms in addition to the banks' own documents under their own underwriting process. The lender maintains all liens – the Rural Center's lien position is documented with a commitment letter to the lender and the terms of the subordination are detailed in the lender's master agreement. The lenders service the entire loan at no charge to the Rural Center and in exchange, the Rural Center does not charge a fee for the NC-LPP credit support.

Capital Access Program

With the SSBCI allocation, the Rural Center restarted the North Carolina Capital Access Program (NC-CAP). The NC-CAP requires the borrower and lender each to contribute to a reserve account with combined contributions ranging from 2 percent to 7 percent of each enrolled loan. The Rural Center uses SSBCI funds to match the combined borrower and lender contributions on a one to one basis. Lines of credit and similar working capital loans (of $150,000 or below) are the program's most important niches. The average loan size for the program is less than $8,000 per transaction.

Credit Support Program Outcomes

Through December 2015, the program manager expended $36 million of SSBCI to support 568 loans that generated $8.30 for every $1 in SSBCI funds spent. Businesses reported that these loans will help to create or retain over 8,800 jobs. The average loan participation is $147,000 on loans averaging $978,000. Thus far, credit enhancements have been largely tied to businesses in owner-occupied facilities.

Beyond the data required for reporting to Treasury, the Rural Center requests information from participating banks about the demographics of the company's owners (including race/ethnic group and gender), as well as the location of company (rural or urban). Approximately 45 percent of the loans are made in the state's 80 rural and five urban-transitioning counties. Approximately 16 percent of loans have been made to companies that have Veteran ownership, 38 percent to those with female ownership and 14 to those with percent African American, Asian, American Indian or Pacific Islander ownership.

Table NC-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
567	$35.7 million	$2.35 million	$297 million	$523,800	8.3:1

Jobs Created or Retained per Businesses	Median Business Size	Median Business Age	Transactions in Low- and Moderate- Income Areas	Transactions in Non-Metro Areas	Top Industries Assisted
8,832	5 FTEs	5 years	15%	15%	1. Health Care and Social Assistance 2. Accommodation and Food Services 3. Professional, Scientific, and Technical Services

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Lenders have become more willing to pay a reasonable fee for credit enhancements as the SSBCI program matures.
- NC-CAP had limited appeal because the model requires banks to charge a 2 percent net fee in an environment in which there was available funding and lower borrower demand. Lenders suggest that the program may work better in a higher interest rate environment in which the 2 percent fee can be incorporated easily into the interest-rate spread.
- The Rural Center found the most important niche for loans using the NC-CAP was for lines of credits and similar working capital loans of $150,000 or below.
- SSBCI programs can increase leverage by purchasing a lower percentage of the deal, but early on it was more important to get lenders to engage with the program. Fortunately, as the economy improves, real estate values are improving thereby reducing the loan-to-value collateral gap in many projects. This is serendipitous because, today with the experience it has developed with lenders, the Rural Center may be able to provide sufficient credit enhancement at a lower percentage of the loan just as the Rural Center's SSBCI funding is getting tighter.
- As the program is presently structured, the Rural Center estimates that it needs to generate about $8 million per year in recycled NC-LPP funds to sustain the program and meet current demand.
- The Rural Center has a contract for services to manage the SSBCI program through 2025. This has helped to ensure program sustainability over time and ensure that credit support partners will continue to be committed to using the program.
- Lenders have become more willing to pay a reasonable fee for credit enhancements as the SSBCI program matures.

VENTURE CAPITAL PROGRAM

The North Carolina Venture Capital Fund of Funds (NC-FOF) is a new state venture capital program created with an allocation of $10 million in SSBCI funding to meet the equity investment needs of high-growth potential small businesses. The strategic objective of the NC-FOF, as defined by the Rural Center, was to "make the venture capital pie bigger in North Carolina" in support of fund-raising and investing for in-state venture funds. The Rural Center managed a competitive process to select investment fund managers, with a goal of identifying funds with complementary investment strategies in regards to industry and stage. The fund of funds program is focused on stimulating investment across the capital continuum, from seed- and early-stage investments to growth equity financings. Targeted industries for investment were determined by the selected fund managers and not specifically defined by the Rural Center.

Venture Capital Program Design and Operations

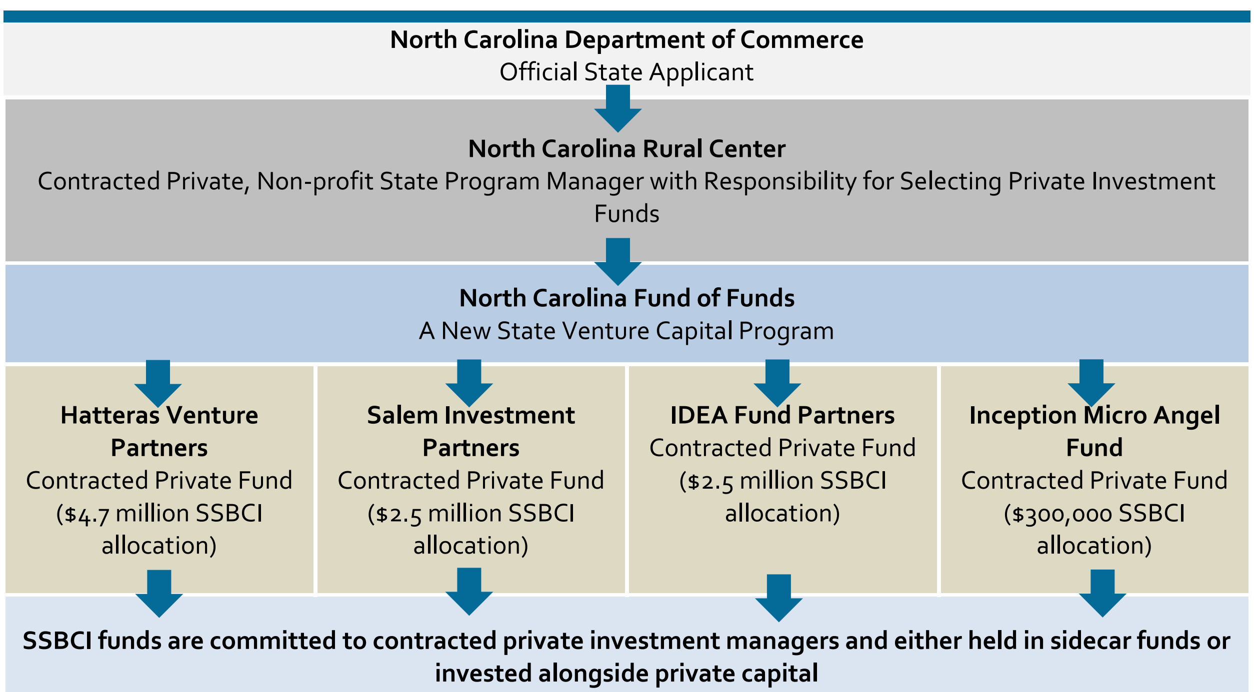
The Rural Center's board established an investment committee to assist with the fund manager selection process and overall program management. The Rural Center board of directors appointed the investment committee, which was formed in partnership with the Department of Commerce. The process began with a letter of intent to manage funds, which led to formal request for proposals from fund managers. Twelve funds were asked to submit formal proposals presented to the investment committee, leading to six finalists. After fund due diligence and agreement negotiation, four investment managers were approved for an SSBCI allocation in the NC-FOF portfolio (see Figure NC-4). Each of the funds provides financing to meet a slightly different market niche.

Table NC-4: NC-FOF Investment Fund Portfolio

Investment Fund Name	SSBCI Allocation	Investment Stage	Fund Characteristics
Hatteras Venture Partners	$4.7 million	Early	Sidecar, Life Science Focus
Salem Investment Partners	$2.5 million	Growth Equity	Invested In/Through Single Investment Fund
IDEA Fund Partners	$2.5 million	Seed/Early	Sidecar, Leverages NC IDEA Grant Program
Inception Micro Angel Fund	$300,000	Seed/Early	Multiple Angel Funds, Regionally Focused

The contracted investment funds received management fees ranging between 1 and 2 percent of allocated funds until the SSBCI administrative expense limit for the program was reached. After the administrative cap was reached, the contracted investment funds will be paid management fees from repayments to the state's SSBCI funded credit support programs. The funds charging 1 percent management fees receive 25 percent of the investment proceeds (profits) and those charging 2 percent management fees receive 20 percent of fund proceeds after returning the principle SSBCI investment to the Rural Center. SSBCI funds are invested through an independent sidecar fund for all contracted investment managers.

Figure NC-5: NC-FOF Program Structure



Venture Capital Program Outcomes

Through December 31, 2015, the NC-FOF expended $8.2 million to support 75 investments. The SSBCI investments generated $266 million in new capital or $32.5 in new capital for every $1 in SSBCI funds spent. Businesses reported that the SSBCI investments will help create or retain over 1,000 jobs.

The Rural Center indicated that its financial objective of the NC-FOF is being aligned with each of the investment fund partners, who are focused on financial returns. However, the overall program objective is to stimulate equity-based financings in high-growth North Carolina small businesses, with the alignment of financial incentives expected to achieve this goal. The residual capital from the program will stay with the Rural Center through 2025.

Table NC-6: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
75	$8.3 million	$0	$266.3 million	$3.55 million	32.1:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,066	4 FTEs	4 years	29%	3%	1. Professional, Scientific, and Technical Services 2. Manufacturing 3. Information

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Establishing open communication channels with contracted investment managers helps make implementation easier, especially in regards to managing requirements and task requests.
- For contracted organizations managing a fund selection/allocation process or company investment decisions, having a large board of directors can be problematic due to real or perceived conflicts of interest. Developing appropriate organization governance structures and policies early to handle these decisions is a critical success factor for venture capital programs.
- By engaging private investment funds to manage deal sourcing and investing, changes in state funding support for the Rural Center did not impact the NC-FOF implementation.

North Dakota-Carrington

PROGRAM PORTFOLIO OVERVIEW[89]

Using $3.4 million in SSBCI allocation, the North Dakota, City of Carrington consortium of municipalities (the Carrington Consortium) operates a credit support program and a venture capital program. With the SSBCI program portfolio, the program sought to fill the gaps in small business financing equity and caters to niche markets.

The Carrington Consortium, which comprises 36 municipalities representing 47 percent of the state's population, is authorized to manage the SSBCI capital. These communities are geographically located among the eastern and central part of the state. The City of Carrington contracted with the Red River Corridor Fund (RRCF) to implement the program. RRCF was a newly formed limited liability company managed by the Development Capital Network (DCN) and Praxis Strategy Group, LLC, both for-profit companies that provide economic development consulting services to public and quasi-public entities.

Table ND-C-1: North Dakota-Carrington's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Credit Guarantee Program	Collateral Support	$3.3 million	Red River Corridor Fund
Seed Capital Network Program	Venture Capital	$182,000	Red River Corridor Fund

Combined Program Outcomes

North Dakota's Carrington Consortium supported 18 loans and investments that generated $7 million in total financing through December 31, 2015.

Table ND-C-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
18	$2.8 million	$300,000	$7.2 million	$401,300	2.6:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
107	3 FTEs	2.5 years	6%	83%	1. Retail Trade 2. Manufacturing 3. Administrative and Support and Waste Management and Remediation Services

**Includes funds expended for administrative costs*

[89] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAM

Collateral Support Program

The Credit Guarantee Program (CGP) provides cash collateral for small business loans in the form of a certificate of deposit (CD) purchased at the lending bank. RRCF pledges the CD as a guarantee for up to 50 percent of the qualifying loan. The current maximum term for the credit guarantee is five years. The fee structure is 2 percent of the loan amount for a 50 percent guarantee and a full five-year commitment. Shorter-term loans and/or loans with less than 50 percent coverage bear reduced fees. In the event of a non-payment, banks may recover the cash collateral after all other collateral is liquidated and guarantees are enforced.

Credit Support Program Outcomes

Through December 31, 2015, the Carrington Consortium expended $2.7 million of SSBCI funds to support 17 transactions through the CGP. The SSBCI funds generated $6.4 million in total financing or $2.40 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain approximately 100 jobs.

Table ND-C-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
17	$2.6 million	$300,000	$6.4 million	$374,900	2.4:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
101	3 FTEs	2 years	6%	82%	1. Retail Trade 2. Manufacturing 3. Administrative and Support and Waste Management and Remediation Services

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- The RRCF outreach to bankers is mainly one-on-one, generally traveling to banks to provide an overview of the program. The RRCF staff provides examples of types of financing that will help the banker make a higher risk loan. This strategy has enabled them to launch the CGP. This strategy works well in rural areas and with community banks that know their small business base, but have difficulty with some government programs.
- The unique aspect of the Carrington Consortium is that it is municipality driven, and several of the projects have come from referrals from community and local economic developers. The result is a unique and interested network of players that "own" the program.

- In creating the SSBCI programs, DCN and Praxis studied other states and helped local leaders to develop the program.
- The RRCF guarantees up to 50 percent to give the program maximum flexibility and assist higher risk projects. This strategy also helped to deploy capital.
- In order to help the program flow, the RRCF responds to the bank request, rather than making it a negotiation.
- Until December 2015, most SSBCI reports required the sign-off among all the cities. This process has been streamlined through an amendment to the Allocation Agreement that allows the authorized lead Consortium official to sign reports.

VENTURE CAPITAL PROGRAM

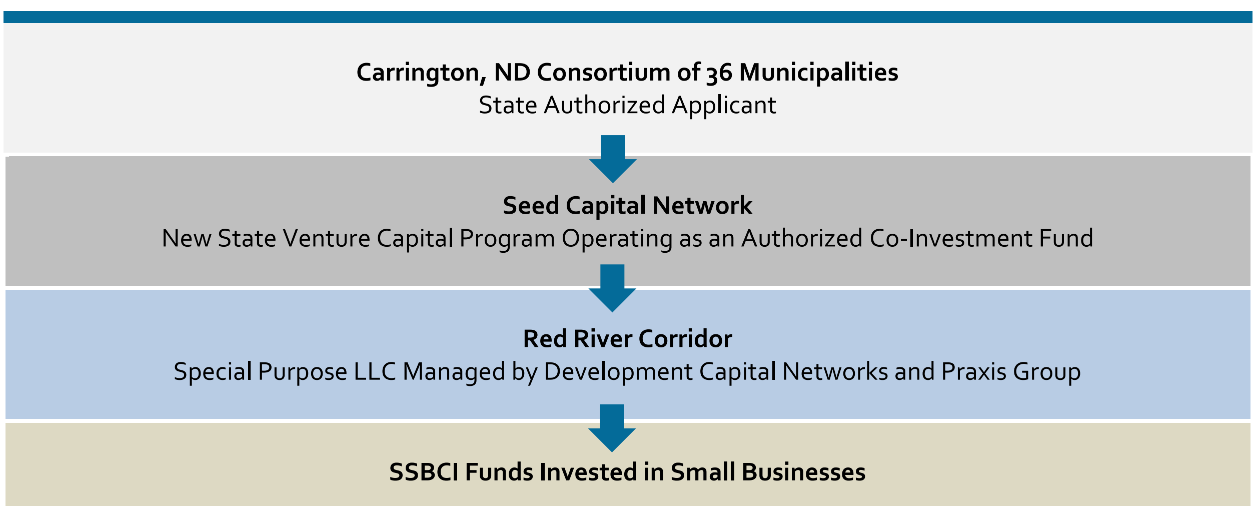
The Carrington Consortium, through RRCF, operates a venture capital program called the Seed Capital Network Program (SCNP). RRCF invests in angel funds or seed funds that invest in small businesses in the participating municipalities. The board of participating municipalities helps to ensure widespread participation in sourcing investment opportunities. RRCF's objectives are to facilitate seed, early, or growth capital investments in North Dakota small businesses with participation from local investors and to earn investment profits that will seed an evergreen investment fund that can be joined by individual angel investors.

The consortium selected DCN to manage the program with Praxis based on DCN's experience managing angel funds and fund of funds programs in rural states such as Arkansas, Iowa, and Oklahoma.

Venture Capital Program Design and Operations

To facilitate collaborative investments with angel investors, RRCF created the Red River Angel Fund, a structure that aggregates capital from investors on a deal-by-deal basis into a distinct segment of the fund for investment into a single company. The model enables angel investors to participate in the deals they like, while still enjoying the benefits of a fund structure. The model is designed to help individuals with business-building experience learn the methods of seed investing and join together with their peers to support entrepreneurs in a region with historically very little venture capital activity.

Figure ND-C-4: SCNP Structure



Venture Capital Program Outcomes

To date, RRCF has reviewed more than ten investment opportunities and executed one commitment – a $125,000 investment in a medical device company that has since been acquired by a public company. Despite the success of this initial investment, RRCF has not achieved the volume it expected at the time the strategy was developed.

Table ND-C-5: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
1	$136,100	$0	$850,000	$850,000	6.2:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
6	1 FTEs	6 years	0%	100%	Wholesale Trade

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Program managers have learned that North Dakota angel investors, while open to joining organized funds, tend to prefer existing funds that seek projects in border communities of Minnesota and South Dakota, as well as North Dakota. These funds do not meet RRCF objectives. Due to this challenge, program managers transferred the majority of the SCNP allocation to the RRCF's credit guarantee program which had deployed 78 percent of its allocated funds as of December 2015.
- The Consortium's difficulties match those of other SSBCI venture capital program experiments in states or regions with largely rural populations that have very little venture capital investment activity and large geographic distances between collaborating communities.
- RRCF operates as an evergreen fund and over time expects to return to making qualifying SCNP investments with recycled funds as opportunities are found.

North Dakota-Mandan

PROGRAM PORTFOLIO OVERVIEW[90]

Using $9.7 million in SSBCI allocation, the City of Mandan, North Dakota consortium of municipalities (the Mandan Consortium), operates a single credit support program – a loan participation program.

The Lewis and Clark Regional Development Council (LCRDC) manages the program on behalf of the Mandan Consortium of 38 municipalities. LCRDC is a nonprofit organization dedicated to supporting economic development in ten North Dakota counties. It was formed as a non-profit in 1973 and has operated revolving loan funds since 1993, maintaining a loss rate under 4 percent.

Table ND-M-1: North Dakota–Mandan's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Loan Participation Program	Loan Participation	$9.7 million	Lewis and Clark Regional Development Council

Program Outcomes

North Dakota's Mandan Consortium supported 39 loans that generated almost $72 million in total financing through December 31, 2015.

Table ND-M-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
39	$9.7M	$2.4M	$71.7M	$1.84M	7.4:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate- Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
564	10 FTEs	1 year	36%	33%	1. Accommodation and Food Service 2. Retail Trade 3. Other

**Includes funds expended for administrative costs*

[90] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAM

Loan Participation Program

Under the Loan Participation Program (LPP), the consortium has the option to provide direct loans but may also purchase participations up to 50 percent of total financing. The LPP supports loans up to $10,000,000 and limits its participation in a single transaction to $1,000,000. The loan participations are mainly interim financing related to SBA 504 funding.

LRDC sources, underwrites, and recommends transactions for approval to the consortium. A Steering Committee, comprised of one member appointed by each municipality in the consortium, oversees LCRDC and appointed a 15-member Loan Committee (Review Committee) responsible for reviewing each transaction and for conducting an annual assessment of LCRDC. The Steering Committee also assists official municipal authorities with the responsibility of reviewing and verifying the accuracy of quarterly and annual reports submitted by LCRDC, maintaining records and complying with all reporting requirements of Treasury, and meeting annually to assess LCRDC's performance.

Credit Support Program Outcomes

Through December 31, 2015, the LPP expended $9.7 million in 39 transactions and generated $71.7 million in total financing or $7.40 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain over 550 jobs. See Table ND-M-2 for additional credit support program outcomes. Credit unions and community banks have been active participants in the program, whereas large regional or national banks have not. The few CDFIs located in North Dakota have not participated in the program.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Lenders have been attracted to the program due to the subordination of the security position and the flexibility of the program.
- Banks have indicated that they would like to use the program for passive real estate and affordable housing deals, purposes currently prohibited by SSBCI rules.
- In the past, there were administrative issues getting signatures from all 38 municipalities, which has delayed or even prohibited time-sensitive deals.
- The fact that the program is deployed by municipalities instead of the state has led to increased participation by local economic development officials.
- In 2014, the Mandan Consortium approached Treasury with a modification request to address the cumbersome nature of their authorization process, namely that it required signatures from all members of the Mandan Consortium. In early 2015, the consortium amended their Allocation Agreement so that only one authorized signature was required for annual and quarterly reports.

Northern Mariana Islands

PROGRAM PORTFOLIO OVERVIEW[91]

Using $13.1 million in SSBCI allocation, the Commonwealth of the Northern Mariana Islands (CNMI) operates two credit support programs – the Loan Purchase Participation Program (LPPP) and a Collateral Support Program (CSP).

The CNMI Department of Commerce (DOC) contracted with the Commonwealth Development Authority (CDA) to administer the program. CDA is a public agency that is primarily responsible for stimulating economic development in the commonwealth. The Authority's economic development lending activities are conducted through the Development Corporation Division (DCD).

Table MP-1: North Mariana Islands' SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
CNMI Collateral Support Program	Collateral Support	$8.6 million	Commonwealth Development Authority
CNMI Loan Purchase Participation Program	Loan Participation	$4.6 million	Commonwealth Development Authority

Program Outcomes

CNMI supported 21 loans that generated almost $6 million in total financing through December 31, 2015.

Table MP-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
22	$2.9 million	$0	$5.7 million	$257,600	1.9:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
474	8 FTEs	6 years	0%	82%	1. Accommodation and Food Services 2. Manufacturing 3. Wholesale Trade

**Includes funds expended for administrative costs*

[91] *All data and program descriptions presented here are as of December 31, 2015*

CREDIT SUPPORT PROGRAMS

Collateral Support Program

The Collateral Support Program (CSP) has been CNMI's most popular program. It enables small businesses to acquire necessary financing that might otherwise be unavailable due to a collateral shortfall. The CSP places up to 50 percent cash collateral in an account with a lender to complement an approved borrower's collateral. The program charges no fees, and there is a five year term for the collateral support. Amortization for the loan receiving support is set at the bank's interest rate and can be calculated for a period of longer than the five-year term. CNMI provides collateral support for loans up to $600,000.

Loan Participation Program

The Loan Purchase Participation Program (LPPP) is designed to assist lenders and borrowers in financing economic diversification activities. The program enables businesses to acquire financing that might otherwise be unavailable due to a cash flow shortage according to the lender's analysis. The program manager purchases up to 40 percent of a loan, with a deferment of payments for up to three years. The loans in the LPPP tend to be larger than those of the CSP. The LPPP can be used as credit enhancement by allowing CNMI to share the risk on loans up to $500,000.

Credit Support Program Outcomes

Through December 31, 2015, CDA expended $2.7 million in SSBCI funds to support 21 transactions and generated $2.10 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain over 470 jobs. Accommodation and food services, wholesale trade, manufacturing, and retail trade businesses received two-thirds of the SSBCI loans. See Table MP-2 for additional credit support program outcomes.

The CSP has provided credit enhancements for 16 loans, and the LPP has been used to support five loans. CNMI views these credit support programs as self-sustaining, and at some point in the future, CDA will likely integrate the program with commonwealth funds designed to continue supporting the program.

CNMI is focused on serving not only the most populous island (Saipan), but also the neighboring islands of Rota and Tinian. Therefore, CNMI monitors the number of loans in those areas. Thus far, CNMI has supported two loans on Rota, representing 80 percent of the value of its portfolio. In addition, CNMI seeks to generate at least one job for loans over $60,000 of lending and at least two jobs for more than $100,000.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- SSBCI provides credit enhancement that has helped to attract foreign investment to the islands in ways that no other program has been able to do.
- SSBCI has helped leverage interest in CNMI from investors and helped to leverage capital from the Bank of Guam, contributing to CNMI efforts to develop a relationship with the Bank.
- CDA was able to use the power of the network of states by developing an MOU with the Michigan Economic Development Corporation (MEDC), an active and experienced SSBCI program participant, to provide technical assistance in support of its two new programs until it could develop its own staff capacity.
- The development of a memorandum of agreement between the CNMI Department of Commerce and CDA introduced a significant delay in trying to quickly deploy funds. Furthermore, the procurement

process, including, a technical assistance services agreement with the MEDC, another source of delay in deploying funds. A more efficient mechanism for procuring support services would have expedited deployment.

Ohio

PROGRAM PORTFOLIO OVERVIEW[92]

Using $55.1 million in SSBCI allocation, Ohio operates two credit support programs and a venture capital program. The state uses its programs to reach small businesses throughout the state, to provide disadvantaged businesses with capital, and to increase jobs and private investment. One of the SSBCI programs, the Ohio Capital Access Program (OCAP), operated prior to SSBCI's introduction. The other two programs were newly created with SSBCI funds.

The Ohio Development Services Agency (ODSA) implements SSBCI and directly manages the venture capital program, the Ohio Targeted Investment Program (TIP). ODSA's Minority Business Development Division administers the OCAP and the Small Business Collateral Enhancement Program (SBCEP).

Table OH-1: Ohio's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Small Business Collateral Enhancement Program	Collateral Support	$46.2 million	Ohio Development Services Agency
Ohio Capital Access Program	Capital Access	$525,000	Ohio Development Services Agency
Ohio Targeted Investment Program	Venture Capital	$8.5 million	Ohio Development Services Agency

Combined Program Outcomes

Ohio supported 499 loans and investments that generated $148 million in total financing through December 31, 2015.

Table OH-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
499	$39 million	$0	$148.2 million	$297,000	3.8:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
7,896	4 FTEs	5 years	27%	14%	1. Accommodation and Food Services 2. Retail Trade 3. Manufacturing

**Includes funds expended for administrative costs*

[92] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Collateral Support Program

The SBCEP supplies pledged cash collateral accounts to lending institutions to enhance collateral coverage of individual small business loans. SBCEP funds these accounts using SSBCI funds up to 50 percent of the loan amount for minority- and women-owned businesses and up to 30 percent for all other businesses; to a maximum collateral deposit or allocation of $1.5 million and a loan term of 15 years. The state charges a one-time, 2 percent fee on the deposit. Ohio modified the CEP in December 2012 to increase the maximum collateral deposit size, expanded the list of eligible industries to include any industries not prohibited by SSBCI, and included CDFIs as eligible lenders.

Capital Access Program

The OCAP provides portfolio insurance for business loans through separate loan-loss reserve accounts for each participating bank. Both the borrower and lender contribute from 1.5 percent to 3 percent of the principal loan amount to the loan-loss reserve account. OCAP uses SSBCI funds to match lender and borrower contributions on a one to one basis. There are no fees for a CAP loan.

Credit Support Program Outcomes

Through December 31, 2015, ODSA expended $31.1 million to support 492 loans that generated $131 million in total financing or $4.20 in total financing for every $1 in SSBCI funds spent. Businesses reported the loans will help create or retain more than 7,900 jobs.

Table OH-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
492	$31.2 million	$0	$130.9 million	$266,100	4.2:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
7,700	4 FTEs	5 years	27%	14%	1. Accommodation and Food Services 2. Retail Trade 3. Manufacturing

**Includes funds expended for administrative costs*

Borrowers represent a range of industries but are concentrated in nine industries for OCAP and nine for SBCEP. Due to the low utilization of the OCAP, ODSA redirected more SSBCI funds to the SBCEP.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Before launching this SSBCI program, Ohio conducted focus groups throughout the state to gauge interest. Lenders were more enthusiastic about the collateral support program.
- Many states interpreted the federal criteria differently. Understanding Treasury program requirements from the onset and better communication would have helped Ohio and other states get SSBCI programs off the ground more quickly.
- Having a broad definition of industries eligible for the CEP aided its success. When Ohio sought to broaden reach to industries that were originally restricted (retail, franchises, etc.), the SBCEP became more successful.
- Banks may be slow to adopt SSBCI credit support programs because they are seen as rivals to other federal programs and because SSBCI funding has an expiration date. More interest in the state's SSBCI credit support programs has come from community banks and credit unions.
- Ohio has 212 banks, and more than 12 percent are participating in the SSBCI program. The program manager used a survey to better understand how lenders perceive the SSBCI program and received positive comments about the simplicity and ease of programs and the quick approval turnaround time.
- Most of the lending has taken place in urban areas, which highlights the possibility of using Community Reinvestment Act credit as a selling point to the banks in the future.
- To sustain SBCEP and cover its costs, fees and length of deposit or allocations may need adjusting.
- The state cited Treasury-sponsored peer-to-peer working groups, conferences, and reports as being helpful in making beneficial adjustments to the program.

VENTURE CAPITAL PROGRAM

The Ohio Targeted Investment Program (TIP) is a state-agency managed investment fund that works to meet the financing needs of growth-stage small businesses. The venture debt program fills a gap in Ohio's comprehensive portfolio of small business financing initiatives, which was identified by state officials as assisting businesses that have received equity financing and need debt financing for growth opportunities in targeted industries.

The TIP was created in the context of an existing portfolio of innovation-based development programs within the large-scale Ohio Third Frontier initiative. The Ohio Third Frontier is a multi-year $2.1 billion state funded initiative created to diversify and strengthen Ohio's economy and ultimately changes the course of the state's economy to be more globally competitive in emerging industries. Historical funding for Third Frontier came from multiple sources (state bonding, tobacco settlement funding, state general fund), and the economic development initiative now operates on proceeds from the most recent state bond issuance.

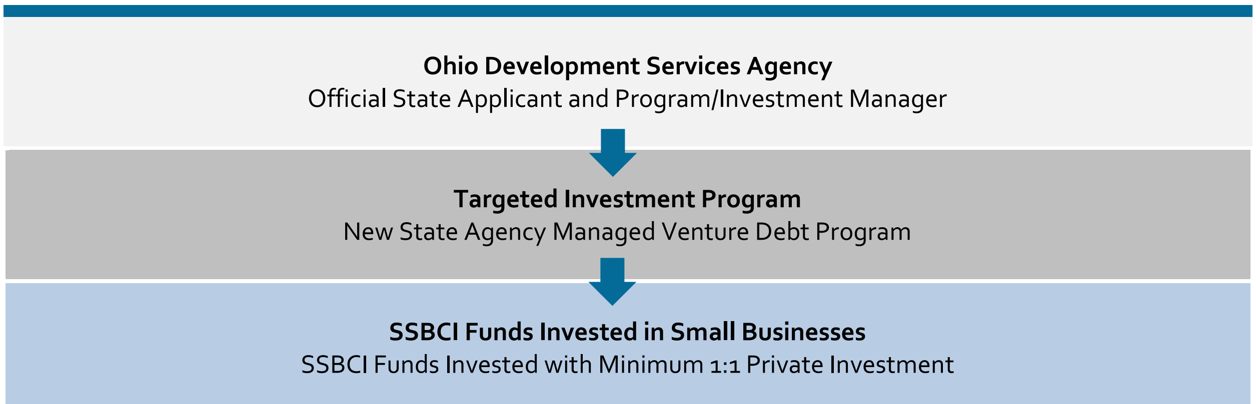
With significant state investment supporting early-stage financings, state programs offering statewide assistance services for growth-oriented firms (e.g., Entrepreneurial Signature Program), and a strong network of regional venture development organizations assisting early-stage businesses (e.g., Rev1Ventures, JumpStart), program managers concluded that a gap in the capital continuum remained for "next stage" company financing and development. Next stage financings were described as investments made in small businesses after the early-stage seed round or first institutional venture capital round (Series A). Ohio designed the TIP as a complement to existing Ohio small business finance programs focused on supporting Ohio's manufacturers in the production and logistics value chains.

Venture Capital Program Design and Operations

SSBCI funds are deployed as part of larger financing rounds, with a private investment leverage target of 4 to 1 and requirement of 1 to 1 for each investment at time of initial closing. The program targets pre-revenue and revenue-generating businesses needing capital to expand sales. TIP is a venture debt investment program, where the investments are structured as loans on a case-by-case basis and might include creative features for enhanced returns to the investment manager, such as a success fee offered as a percentage of the loan value.

For the ODSA-managed small business credit support programs, many operational processes were in place for evaluating deal flow and outsourcing due diligence. ODSA built on these processes to manage the deal sourcing and application process for the venture capital program as well, including a competitive evaluation system. ODSA staff and leadership make the investment decision. Potential investment opportunities come through a network of regional partners, primarily via Third Frontier-supported seed funds and venture development organizations that filter the most attractive opportunities for the financing.

Figure OH-4: TIP Structure



Venture Capital Program Outcomes

Through December 31, 2015, the TIP had invested $7.8 million or 92 percent of its $8.5 million allocation. The seven TIP investments generated over $17 million in total capital. Businesses reported that the investments will help create or retain almost 200 jobs in Ohio-based businesses.

Table OH-4: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
7	$7.8 million	$0	$17.3 million	$2.50 million	2.2:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
196	11 FTEs	5 years	57%	14%	1. Manufacturing 2. Information 3. Retail Trade

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Organizational restructuring of economic development functions impacted TIP implementation, resulting in delays in processing TIP transactions. With so much organizational change affecting hundreds of millions of dollars in state program investments, the SSBCI supported program was caught up in shifting state priorities and staff turnover.

- Even with existing processes, personnel, capabilities and state resources in place, it can be challenging to launch a new initiative when other funding sources are available.
- Managing capital programs with funds being held until pre-specified milestone processes are achieved helps ensure program compliance and credibility with stakeholders.
- Identifying the right gaps in a state's program portfolio and attracting the right mix of partners to market the program and build awareness is important to get the program launched and positioned properly for success.
- State program managers worked to design the program with flexibility to operate within defined boundaries – small business definition, businesses receiving prior equity investments, entering growth phase, private investment match. However, program managers recommend states avoid being too rigid with definitions during the program design phase to avoid creating unnecessary obstacles to supporting small businesses with financing needs.

Oklahoma

PROGRAM PORTFOLIO OVERVIEW[93]

Using $13.2 million in SSBCI allocation, Oklahoma operates a venture capital program called the Accelerate Oklahoma Fund (Accelerate OK). The program is designed to fill gaps in the state's demand for equity investment capital not served by the Oklahoma Seed Capital Fund (OSCF) – an existing state supported program.

A state-sponsored nonprofit organization, i2E, Inc. manages technology-based economic development programs for the state and manages both Accelerate OK and OSCF. The Oklahoma Department of Commerce contracted with i2E to manage the SSBCI program.

Table OK-1: Oklahoma's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Accelerate Oklahoma Fund	Venture Capital	$13.2 million	Oklahoma Department of Commerce

Program Outcomes

Oklahoma supported 45 investments that generated $74 million in total financing through December 31, 2015.

Table OK-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
45	$11.0 million	$0	$74 million	$1.64 million	6.8:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
555	3 FTEs	3 years	82%	7%	1. Professional, Scientific, and Technical Services 2. Manufacturing 3. Health Care and Social Assistance

Includes funds expended for administrative costs

[93] *All data and program descriptions presented here are as of December 31, 2015.*

VENTURE CAPITAL PROGRAM

i2E identified three opportunities to complement existing investment programs in Oklahoma with SSBCI Funds: 1) post proof-of-concept "accelerator" investments ranging from $100,000 to $250,000 in businesses needing to build a prototype or launch a concept product with initial customers; 2) growth stage investments in established businesses with existing products or services generating revenue from customers and needing greater than $1 million in new capital to expand product offerings or acquire new customers, and 3) "any stage" investments up to $500,000 designed to enhance angel investment activity in Oklahoma.

i2E often leads investment rounds, filling a leadership gap in the state's innovation ecosystem resulting from the lack of active venture funds in the state. Deal structures vary based on the preferences of co-investors and stage of company development, ranging from convertible debt to preferred stock with normal venture investor terms, but are always made pari passu with the terms of co-investors. Businesses seeking investments from i2E often receive mentoring and business advisory services, including introductions to potential co-investors. In alignment with private co-investors, i2E aims to earn appropriate risk adjusted returns with every decision to invest, but also accepts the inherent risk of high failure rates from equity investments in seed and early stage technology businesses.

While the Oklahoma Center for the Advancement of Science and Technology (OCAST) serves as an intermediary between the State and i2E for many of the pre-existing services and investment programs, i2E manages the SSBCI allocation via a direct contract with the Oklahoma Department of Commerce. i2E is a 501(c)(3) managed by a 31-member board of directors, comprised of business leaders, investors and key stake holders. The Executive Director of OCAST is also a member of i2E's board. i2E utilizes a separate investment committee comprised of i2E board members and business leaders to approve SSBCI investments.

Figure OK-3: INCITE Co-Investment Fund Structure

Oklahoma Department of Commerce
Official State Applicant and Program Manager

Accelerate Oklahoma Fund
$13 million State Venture Capital Program

SSBCI Funds Invested in Small Businesses
Three Strategies Employed:
1) "Accelerator Investments in post proof-of-concept technology businesses;
2) Co-investments in angel-investor backed startups at any stage of development
3) Growth stage co-investments backed by venture capital funds

Venture Capital Program Outcomes

Through December 31, 2015, i2E has invested $11 million or 83 percent of the $13.2 million allocation in 45 investments. The investments generated $74 million in total capital or $6.80 in total financing for every $1 in SSBCI funds spent. Businesses reported that the investments will help create or retain over 550 jobs. See Table OK-2 above for additional venture capital program outcomes.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Although i2E has a base team of approximately 20 staff members, many of whom can contribute in managing SSBCI, the unique compliance requirements for SSBCI required the organization to add a role of "investment compliance officer" to the duties of one team member.

Oregon

PROGRAM PORTFOLIO OVERVIEW[94]

Using $18.2 million in SSBCI allocation, Oregon expanded three credit support programs to provide increased debt financing support for underserved communities.

Oregon Business Development Department (OBDD), also known as Business Oregon, manages the programs. Business Oregon uses its business development officers to market SSBCI to credit unions, bankers, industry associations, and chambers of commerce. It also works through the governor's office to promote the program through events to groups such as Oregon Bankers Association.

Table OR-1: Oregon's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Credit Enhancement Fund	Loan Guarantee	$12.9 million	Business Oregon
Oregon Business Development Fund	Loan Participation	$3.5 million	Business Oregon
Oregon Capital Access Program	Capital Access	$166,000	Business Oregon

Program Outcomes

Oregon supported 236 loans that generated almost $153 million in total financing through December 31, 2015.

Table OR-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
236	$16.3 million	$0	$152.7 million	$647,100	9.3:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,506	7 FTEs	5 years	35%	22%	1. Manufacturing 2. Construction 3. Retail Trade

**Includes funds expended for administrative costs*

[94] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Guarantee Program

The Credit Enhancement Fund (CEF) provides guarantees of up to 80 percent of the loan amount. The focus of this program is primarily on operating lines of credit and secondarily on term loans for equipment and commercial real estate. Oregon's CEF is limited to businesses that sell goods or services to a national or international market. However, if a business is located in a distressed area, this limitation is waived.

Loan Participation Program

The Oregon Business Development Fund (OBDF), started in 1983, provides subordinate financing for up to 40 percent of total project costs on loans up to $1 million. The fund primarily provides financing for fixed asset loans. The program was modeled after the SBA 504 real estate and equipment loans program, and it focuses on manufacturing businesses. This program gives preference to projects that are located in distressed areas, and it requires a $200 application fee and a 0.75 percent commitment fee. Oregon charges a 1.5 percent origination fee (of the OBDF financed amount) that can be reduced in half if a commitment fee was also collected. Finally, Oregon charges a fixed interest rate of U.S. Treasury Bills plus 1 percent (with a 4 percent minimum).

Capital Access Program

The Oregon CAP provides portfolio insurance for business loans based on separate loan-loss reserve accounts at each bank participant. Since its inception in 1991, Oregon's CAP has targeted on underserved and rural small businesses. Oregon uses SSBCI funds to match dollar for dollar the combined lender and borrower contributions to the loan-loss reserve accounts ranging from 3 percent to 7 percent of the loan amount.

Credit Support Program Outcomes

Through December 31, 2015, Business Oregon expended $16.3 million of SSBCI funds to support 236 loans and generated almost $153 million in total financing or $9.30 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain more than 1,500 jobs. More than 80 of these transactions or 35 percent were in LMI communities. Most of these loans were made to manufacturing and construction businesses. See Table OR-2 for additional credit support program outcomes.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- The CEF has been valuable for lenders looking for credit enhancement to better serve business customers and to assist those businesses with growth and expansion.
- Open channels of communication with banks have helped Business Oregon meet their needs. Deepening relationships with the lending community combined with the CEF's ease of use have led more regional banks to consider Business Oregon's programs.
- The simplicity of the CEF regulations compared to those of SBA and other credit enhancement programs is a major advantage.
- Low pricing for the OBDF has attracted borrowers, but its relatively high leverage requirements have limited the number of deals that have closed.
- Business Oregon has a strong connection with the Oregon Bankers Association and a strong understanding of what local bankers are and are not comfortable with; this helps deal flow.
- Participating lenders have raised concerns about SSBCI's required disclosures. In addition, there have been concerns about structuring compliant lease agreements for owner occupied properties.

Pennsylvania

PROGRAM PORTFOLIO OVERVIEW[95]

Using $29.2 million in SSBCI allocation, Pennsylvania operates three credit support programs and a venture capital program. Using the SSBCI program portfolio, the state sought to serve underserved communities. The Pennsylvania Department of Community and Economic Development (DCED) administers all programs.

Table PA-1: Pennsylvania's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Machinery and Equipment Loan Fund	Loan Participation	$9 million	Pennsylvania Department of Community and Economic Development
Pennsylvania Economic Development Finance Authority Program	Loan Participation	$8.7 million	Pennsylvania Department of Community and Economic Development
Pennsylvania Community Development Bank Program	Loan Participation	$6.5 million	Pennsylvania Department of Community and Economic Development
Ben Franklin Technology Partners and Life Sciences Greenhouse Partners	Venture Capital	$5 million	Pennsylvania Department of Community and Economic Development

Combined Program Outcomes

Pennsylvania supported 156 loans and investments that generated $208 million in total financing through December 31, 2015.

Table PA-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
156	$15.7 million	$678,500	$208.0 million	$1.33 million	13.3:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
2,916	2 FTEs	3 years	44%	13%	1. Accommodation and Food Services 2. Manufacturing 3. Professional, Scientific, and Technical Services

**Includes funds expended for administrative costs*

[95] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Participation Program - MELF

The MELF program was created in 2000 to provide direct and companion low-interest loans to acquire and install new or used machinery and equipment or to upgrade existing machinery and equipment. In most cases, MELF is subordinate to its partnering lender. MELF's loans may be up to 50 percent of the total financing, with a maximum credit support by MELF of $5 million. Current pricing for the program is the 10-year Treasury rate plus 100 points, which as of May 2015, was 3.00 percent. DCED changes this offer rate every quarter and has 5, 7, or 10 year terms.

MELF is one of a number of revolving-loan funds that are managed by DCED. The SSBCI program is an important source of loan capital for the agency, as state budget cuts affected MELF and other credit support programs.

Loan Participation Programs – PEDFA and PCD Bank

The Pennsylvania Economic Development Finance Authority Program (PEDFA) and the Pennsylvania Community Development Bank Program (PCD) have been outsourced to revolving loan funds and CDFIs. The PEDFA and PCD Bank programs are structured as contractual capital pass-throughs of SSBCI funds to community development corporations and CDFIs, respectively that lend funds to qualifying small and micro businesses. The capital to be leveraged by the SSBCI funds through PEDFA can either be third-party financing, the revolving loan fund's own capital, or both. The PCD Bank program provides debt financing for CDFIs. Loans to small businesses range from $250,000 to $5 million. The CDFIs leverage their own lending capital in loans to small businesses in addition to utilizing third party lending.

Credit Support Program Outcomes

Through December 31, 2015, Pennsylvania's SSBCI credit support programs supported 122 loans resulting in $102.5 million in total financing from $12.6 million in SSBCI funds or $13.30 in total financing for every $1 in SSBCI funds spent. Businesses reported that these transactions will help create or retain over 2,500 jobs. Businesses that received loans represent a range of industries but are concentrated in three industries, with 24 percent of all loans going to businesses in the accommodation and food services industry, 16 percent in manufacturing and 10 percent in retail trade. Twelve lending institutions made loans utilizing the programs through year-end 2015. Pennsylvania made efforts to ensure that contractors represented the full geography of the state.

Table PA-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
122	$12.6 million	$658,500	$102.5 million	$839,900	8.1:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
2,571	1 FTEs	2 years	48%	15%	1. Accommodation and Food Services 2. Manufacturing 3. Retail Trade

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- CDFIs appear to be the lenders that have enjoyed the greatest success with their SSBCI funds in Pennsylvania's structure largely because the program has allowed them to raise significant amounts of "matching" capital. In addition, CDFIs can mix and match SSBCI monies with monies from other federal, state, and private sources to fund transactions.
- DCED disbursed funding to its contractors on a proportional basis for each disbursement from Treasury, rather than on a first come first served basis up to the maximum funding level. This resulted in delays for some contractors with faster disbursement rates.
- The iterative process DCED created for the competitive process for selecting participating CDFIs was an important contributor to the success of the implementation and overall program outcomes.
- DCED uses both incentives and punishments for these organizations that refer deals to them: the incentive of shared interest income and the punishment of expulsion from the program for those institutions that refer bad deals.
- Historically, MELF's typical deal size exceeds $20 million, which is the SSBCI cap. This has caused issues for the program in attracting and closing deals.
- Since MELF's typical transaction involves many lenders and a "lasagna" structuring in which machinery and equipment (M&E) are the last to be financed, there is a significant lag time between sourcing, approving, and closing transactions.
- DCED audits all of their contractors and reviews every transaction for compliance as soon as a loan is made.

VENTURE CAPITAL PROGRAM

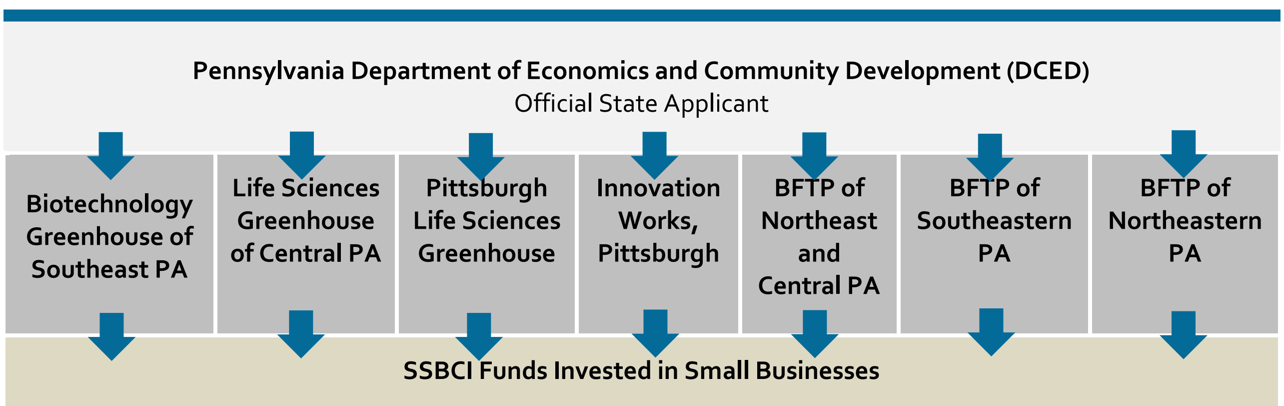
DCED allocated 17 percent of the state's SSBCI allocation for venture capital investments and selected seven existing state-sponsored nonprofit organizations to serve as administer the program: four regional organizations with the Ben Franklin Technology Partners (BFTP) and three regional organizations, the Life Science Greenhouses (LSG). These programs have been leading seed and early stage equity investments in Pennsylvania small businesses for more than 32 years and 14 years, respectively. With SSBCI capital, these programs focused on supporting follow-on rounds in existing portfolio businesses that have achieved early milestones and need private capital to continue their development.

Venture Capital Program Design and Operations

BFTP and LSG managers often begin working with technology businesses in their formative stages, providing technical assistance and mentoring services in addition to the opportunity to apply for investment capital. The regional offices of these organizations support extensive networks at universities, accelerators, angel investor groups, and venture capital firms to identify emerging and established businesses developing technologies or strategies with the potential to grow quickly and/or interest private investors.

Pre-existing investment programs enable BFTP and LSG to invest very early in seed and early stage businesses. They are often the first institutional investors in start-up businesses aiming to prove concepts and show a manageable risk profile for future private investors. With SSBCI capital, BFTP and LSG focused on opportunities to accelerate private capital investment rounds in small businesses that previously had received BFTP or LSG investments on pari passu terms with private investors.

Figure PA-4: Pennsylvania Venture Capital Program Structure



Venture Capital Program Outcomes

Through December 31, 2015, BFTP and LSG managers had invested $3 million or 60 percent of the Commonwealth's VCP allocation. The investments generated $105.5 million of total capital investment or $34.7 in total capital for every $1 in SSBCI funds spent. Businesses reported that the investments will help create or retain approximately 350 jobs. Investment managers used SSBCI capital primarily to support investment rounds led by private venture capital firms or corporate venture capital funds. The comparatively large leverage ratio demonstrates the program's highly selective SSBCI investments, due to a strong pipeline of portfolio businesses from pre-existing programs seeking follow-on investments and the relatively small allocation of SSBCI capital to the VCP.

Table PA-5: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
34	$3.04 million	$20,000	$105.6 million	$3.11 million	34.7:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
345	3 FTEs	4 years	32%	9%	1. Professional, Scientific, and Technical Services 2. Manufacturing 3. Information

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- The relatively small $5 million allocation to the BFTP and LSG combined with the sub-allocation to seven well-established venture development organizations resulted in very small pools of SSBCI capital for each program manager.
- Due to some of the unique SSBCI compliance and reporting requirements, the BFTP and LSG could have been more efficiently managed by involving fewer program managers in roles that required understanding of SSBCI rules and regulations.

Puerto Rico

PROGRAM PORTFOLIO OVERVIEW[96]

Using $14.5 million in SSBCI allocation, Puerto Rico operates a loan participation program and a venture capital program. Puerto Rico's Treasury Department contracted with the Economic Development Bank (EDB) for Puerto Rico, a component unit of the commonwealth of Puerto Rico, to manage both programs. The EDB's mission is to support the development of Puerto Rican entrepreneurs. EDB has operated a direct loan participation program since its inception in 1985 and has operated a venture capital program since the late 1980s.

Table PR-1: Puerto Rico's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Loan Participation Program	Loan Participation	$13.5 million	Economic Development Bank
Venture Capital Program	Venture Capital	$1 million	Economic Development Bank

Combined Program Outcomes

Puerto Rico supported 24 loans and investments that generated $46 million in total financing through December 31, 2015.

Table PR-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
24	$14.5 million	$4.3 million	$46.0 million	$1.92 million	3.2:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
2,663	27 FTEs	9 years	29%	13%	1. Educational Services 2. Manufacturing 3. Professional, Scientific, and Technical Services

[96] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAM

Loan Participation Program

Under its loan participation program (LPP), the EDB uses its SSBCI funds to participate in loans originated by commercial banks and in direct loans by the EDB. Through the LPP the EDB provides credit lines (term up to 1 year), working capital loans (term up to 5 years), equipment financing (term up to 7 years), real estate improvement loans (term up to 10 years) and financing for real estate purchases (term up to 30 years). The interest rate may be fixed or variable and ranges from 8 – 11.75 percent based on underwriting and collateral. The maximum loan amount for credit lines is $500,000. For all other loans, the maximum amount is $1,000,000. SSBCI funds are used to participate in bank loans or co-fund loans led by the EDB.

Credit Support Program Outcomes

Through December 31, 2015, Puerto Rico's credit support program had expended $13.5 million in 23 transactions and generated $36.9 million in total financing or $2.70 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain over 2,250 jobs. Credit lines have been the most popular product.

Table PR-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
23	$13.5 million	$4.3 million	$36.9 million	$1.61 million	2.7:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
2,262	25 FTEs	9 years	30%	13%	1. Accommodation and Food Services 2. Manufacturing 3. Retail Trade

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Banks have been unwilling to participate in the program, which led the EDB to use its own assets as the private capital.
- The EDB's prior experience operating credit support programs helped with the initial deployment of SSBCI funds.

VENTURE CAPITAL PROGRAM

Puerto Rico's EDB manages a single venture capital program. EDB deactivated the VCP after making a one investment to focus SSBCI capital on other economic development priorities in the Commonwealth. The Puerto Rico Treasury Department initially designated $2 million of SSBCI capital to support an existing but mostly inactive VCP managed by the Puerto Rico Economic Development Bank (PREDB). Created in the 1980s, the VCP previously made $45 million of direct equity investments in small businesses and $50 million of limited partner investments in venture capital funds actively investing in Puerto Rico small businesses. However, venture capital activity in Puerto Rico since the 2008 financial crisis has been severely constrained, with just $4.6 million invested in Puerto Rican small businesses in the six years from 2009-14 compared to $72.9 million in the four years from 2005-08.

Venture Capital Program Design and Operations

EDB's Venture Capital Program (VCP) can invest in businesses in two different ways; either directly into local businesses equity, or through local investment funds. Its preferred method is direct investment in businesses.

Venture Capital Program Outcomes

As of December 31, 2015, EDB had invested $1 million or 100 percent of its adjusted VCP allocation, which generated $9.1 million in total capital.

Table PR-4: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
1	$1.0 million	$0	$9.05 million	$9.05 million	9.1:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
401	101 FTEs	1 year	0%	0%	Transportation and Warehousing

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Given the limited resources and great need for commercial financing today, Puerto Rico decided its SSBCI funds could accomplish more and recycle faster through its LPP.

Rhode Island

PROGRAM PORTFOLIO OVERVIEW[97]

Using $13.2 million in SSBCI allocation, Rhode Island expanded a credit support program and created two venture capital programs.

The Rhode Island Commerce Corporation (RI Commerce), a quasi-public agency that serves as a government and community resource to help streamline business expansion, administers the credit support program. The Rhode Island Small Business Loan Fund Corporation, a nonprofit subsidiary of RI Commerce, oversees the venture capital programs.

Table RI-1: Rhode Island's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Small Business Loan Fund	Loan Participation	$2.2 million	Rhode Island Commerce Corporation
Slater Technology Fund	Venture Capital	$9 million	Rhode Island Small Business Loan Fund Corporation
Betaspring	Venture Capital	$2 million	Rhode Island Small Business Loan Fund Corporation

Combined Program Outcomes

Rhode Island supported 71 loans and investments that generated almost $96 million in total financing through December 31, 2015.

Table RI-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
71	$5.4 million	$0	$95.7 million	$1.35 million	17.8:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
296	2 FTEs	0 years	72%	0%	1. Information 2. Professional, Scientific, and Technical Services 3. Manufacturing

**Includes funds expended for administrative costs*

[97] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAM

Loan Participation Program

The Small Business Loan Fund (SBLF) provides subordinated loans up to $500,000 to small businesses for working capital as well as fixed asset financing with maturity dates ranging from 5 to 15 years. RI Commerce charges a 3 percent upfront fee on the amount loaned, $250 application fee, and 3 percent upon closing the loan up to $3,500.

Rhode Island targets new and existing businesses that create jobs through innovation, those in LMI areas, and only in cases where it is clear that private financing alone is not available to complete the project. Retail businesses and restaurants are ineligible for financing through the SBLF. The program requires the company to create a minimum of one job for every $50,000 in funds loaned. Since the SBLF has historically provided a leverage ratio of 4.2 to 1 and SSBCI has targeted a minimum leverage ratio of 10 to 1, RI Commerce has not found many lenders ready to use the program. The two successful loan participations involved layered financing with other public as well as private financing.

Credit Support Program Outcomes

Through December 31, 2015, the credit support program expended $506,900 in three transactions and generated $5 million in total financing or $9.90 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain 75 jobs. The state measures success by the number of jobs created and retained; support for growth sectors including health care, advanced manufacturing, green industries, tourism, design, or technology; and the impact in re-branding and revitalizing urban areas.

Table RI-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
3	$506,900	$0	$5.0 million	$1.68 million	9.9:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
75	9 FTEs	9 years	0%	0%	1. Health Care and Social Assistance 2. Manufacturing 3. Professional, Scientific, and Technical Services

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- It is not always easy to incorporate new funding streams with distinct program requirements into a well-established loan fund. Program managers viewed the goal of 10 to 1 leverage for micro-loans with skepticism.

- Knowledge-based small- and mid-size businesses are often constrained by traditional lending parameters. Given their typically weaker balance sheets, these firms often lack sufficient equity to satisfy bank down payment requirements.
- Rhode Island was standing up its SSBCI programs in the wake of the failure of a high profile state-sponsored transaction funded by a different program. The negative press related to this transaction caused private sector partners to be cautious about participating with in the state's SSBCI programs.
- Sustained program champions' engagement and executive sponsorship are important when trying to institute new partnerships to support small business lending.

VENTURE CAPITAL PROGRAMS

Rhode Island implemented two venture capital programs supported by $11 million of SSBCI funds. An existing state-supported nonprofit investment fund, the Slater Technology Fund, received a $9 million from SSBCI to strengthen early-stage small business investment activities in Rhode Island. In addition, a newly established for-profit accelerator fund, Betaspring, received a $2 million SSBCI allocation to fill a void in the state's entrepreneurial ecosystem at the pre-seed stage of business investment. Betaspring primarily serves the greater Providence area.

The Rhode Island Small Business Loan Fund Corporation administers the programs in partnership with two investment managers. With these two complementary equity capital programs, Rhode Island aimed to improve the state's business environment for entrepreneurs by supporting small businesses with high-growth potential across the early-stage capital continuum.

Created in 1997, the Slater Fund is a contractor-managed investment fund with expertise and operational capacity to support equity-based investing in Rhode Island. The Slater Fund has helped more than 100 businesses through investments of more than $22 million in state funds. According to the Slater Fund management team, the commitment of federal funding support is critically important to the Fund's goal of becoming financially self-sustaining over time. The Slater Fund focuses on supporting new high-growth potential ventures in Rhode Island that could have transformational economic development impact, especially helping firms commercializing innovations in the life sciences industry. Betaspring is a contractor-managed start-up accelerator fund that provides capital and support services to digital media entrepreneurs at the pre-seed stage. Betaspring presented program managers an opportunity to create a public-private partnership that could fill another identified gap on the capital continuum – when businesses are first being formed.

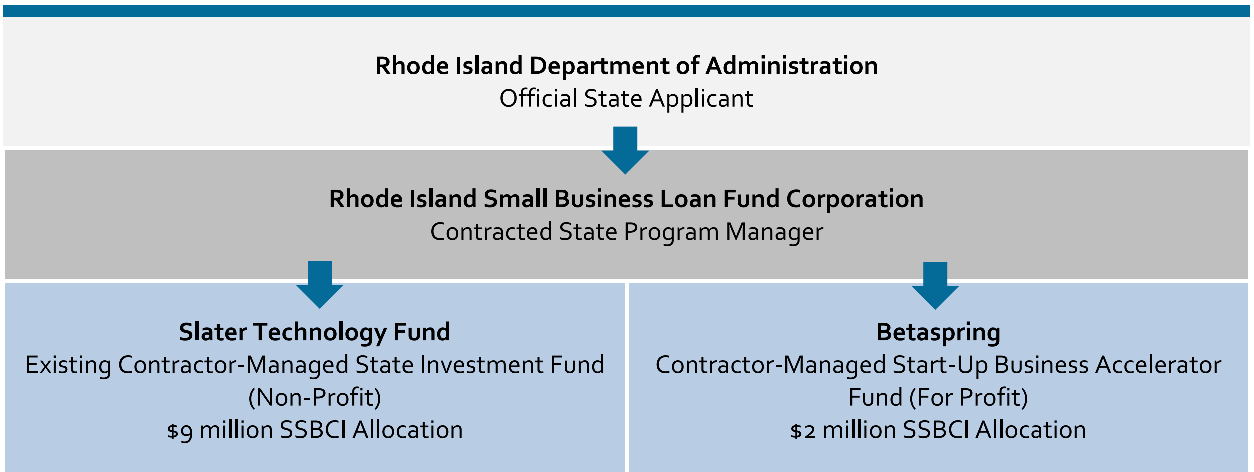
Venture Capital Program Design and Operations

Betaspring takes common stock equity interest positions at predetermined company valuations, investing an average of $50,000 in cash and accelerator services in exchange for 6 – 8 percent equity, to align ownership interests with the entrepreneurs participating in the program. The Slater Fund makes equity or convertible debt investments, depending on company characteristics and needs, as well as preferences of participating co-investors. The SSBCI funds in both programs were used for investments only – neither investment manager charged management fees out of the allocated funds.

Department officials organized stakeholder conversations throughout Rhode Island and the surrounding region (i.e., the Boston metro area) to collect information on the needs and solutions for capital formation in the state. Along with the need to increase local and regional supply of risk capital, the "equity capital summits" highlighted the need to strengthen the pipeline of investable deals.

Betaspring runs a national competition for participation in the accelerator program, which provides twelve weeks of intensive technical assistance in the form of business services including the assignment of business mentors, access to professional services like legal and accounting, market analysis, and connections to potential private investors. The SSBCI capital is comingled with private capital in the Betaspring fund, making the state an investor in the fund. The Slater Fund is governed by a board of directors, with a designated investment committee consisting of two directors, two investment professionals, and two industry sector specialists.

Figure RI-4: Rhode Island Venture Capital Fund Structure



Venture Capital Program Outcomes

Through December 31, 2015, the venture capital programs expended $4.9 million or 44 percent of the $11 million allocation, generated almost $91 million in total investment or $18.6 in total capital for every $1 in SSBCI funds spent. Businesses reported that the 68 investments will help create or retain over 200 jobs.

Table RI-5: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
68	$4.9 million	$0	$90.7 million	$1.33 million	18.6:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
221	2 FTEs	0 years	75%	0%	1. Information 2. Professional, Scientific, and Technical Services 3. Manufacturing

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- The program managers and investment managers communicated the importance of creating practical and easy to understand program policies for deploying funds, maintaining program compliance, and managing potential conflicts of interest. This was viewed as especially important when participating in a new government-sponsored initiative.

- The investment managers noted this lesson learned also applies to policies enacted by the state and not required by SSBCI such as investment covenants for investees to remain in Rhode Island.
- Educating public sector stakeholders in Rhode Island on the differences between loan financing and equity financing is important to designing and implementing programs effectively.
- With new capital formation initiatives, sharing information between program and investment managers on objectives and requirements is valuable during strategy design and execution.
- Having consistent state leadership to oversee program compliance and communicate effectively between program and investment managers is important to deploying funds and supporting small business investments.

South Carolina

PROGRAM PORTFOLIO OVERVIEW[98]

Using $17.9 million in SSBCI allocation, South Carolina operates two credit support programs.

The Business Development Corporation of South Carolina (BDC) administers the programs on behalf of the South Carolina Jobs and Economic Development Authority (JEDA). BDC is a state-chartered nonprofit with a sister SBA certified development company that together promote business and industry and provide promising businesses with a source for commercial loans not usually undertaken by traditional lending institutions.

Table SC-1: South Carolina's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
South Carolina Loan Participation Program	Loan Participation	$17.9 million	Business Development Corporation of South Carolina
South Carolina Capital Access Program	Capital Access	$130,700	Business Development Corporation of South Carolina

Combined Program Outcomes

South Carolina supported 171 loans that generated almost $143 million in total financing through December 31, 2015.

Table SC-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
171	$17.8 million	$6.9 million	$142.7 million	$834.7 million	8.0:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
2,892	11 FTEs	7 years	21%	15%	1. Health Care and Social Assistance 2. Construction 3. Professional, Scientific, and Technical Services

[98] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Participation Program

The South Carolina LPP (SC-LPP) purchases the lesser of $1 million or 25 percent of the total loan amount, although the program manager can make exceptions. The maximum loan term is 20 years, and the typical term is approximately five years. The bank determines interest rates and fees, subject to BDC's concurrence, with BDC usually sharing in fees and interest proportionately. All participations to date have been subordinate, but they can be pari passu. BDC underwrites the loan using the lead bank's due diligence package. The lead bank is responsible for servicing, collections, and liquidation.

The SC-LPP program helps fill the collateral gap that small business borrowers often encounter; enables participating banks to avoid rejecting an otherwise high loan-to-value (LTV) loan; keeps these high LTV loans from being regulatory exceptions for those banks; and frees up more working capital for small businesses, which otherwise would have to invest their capital in the asset being financed.

The SC-LPP has achieved greater acceptance in the marketplace and accounts for more than 98 percent of total dollar volume expended through South Carolina's SSBCI program.

Capital Access Program

The South Carolina CAP provides a loan loss reserve for a pool of loans enrolled by a participating lender. It can support for-profit or nonprofit businesses and has no borrower revenue limits. The borrower and lender are each required to contribute from 1 percent to 3.5 percent to the reserve account. BDC matches their combined contributions on a one to one basis using SSBCI funds.

Credit Support Program Outcomes

Through December 31, 2015, BDC expended 100 percent of its SSBCI funding in 171 transactions, generated almost $143 million in total financing or $8.00 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain almost 2,900 jobs. See Table SC-2 for additional credit support program outcomes.

The SC-LPP program expended $18 million to support 127 transactions that generated over $136 million in total financing. Over 70 percent of the loans purchased were for healthcare and social assistance; construction; professional, scientific, and technical services; retail trade; and manufacturing.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- To date, South Carolina's SSBCI CAP has not seen the volume originally anticipated, primarily due to competition from the state-funded CAP, high fees, and the necessity of a bank having to enroll several loans before the reserve fund is meaningful.
- A key reason for the success of the SC-LPP is that it is easy for banks to use and addresses a clearly defined capital gap that exists in otherwise creditworthy loans. There is also no additional cost to the borrower or the bank to participate in the program.
- South Carolina was able to deploy its SSBCI capital quickly in large part because BDC has deep experience in running government-supported loan programs (including SBA) and had a strong pre-existing network of banks participating in those programs.

- The SC-LPP is more sustainable longer-term than the SC-CAP due to its higher volume and ability to collect fee and interest income. To make SC-LPP capital available for more transactions, BDC now generally limits participations to no more than 25 percent of the bank loan, well below the 50 percent maximum participation allowed.

South Dakota

PROGRAM PORTFOLIO OVERVIEW[99]

Using $13.2 million in SSBCI funds, South Dakota operates one credit support program, a loan participation program marketed as the South Dakota WORKS Loan Program (SD WORKS).

The Governor's Office of Economic Development (GOED) operates SD WORKS. Since the late 1980s, GOED has managed a variety of credit support programs addressing the fixed asset financing needs of the state's small businesses.

Table SD-1: South Dakota's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
South Dakota WORKS Loan Program	Loan Participation	$13.2 million	Governor's Office of Economic Development

Program Outcomes

South Dakota supported 16 loans that generated $65 million in total financing through December 31, 2015.

Table SD-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
16	$8.0 million	$0	$65.0 million	$4.06 million	8.1:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
706	47 FTEs	7 years	50%	12%	1. Manufacturing 2. Health Care and Social Assistance 3. Construction

**Includes funds expended for administrative costs*

[99] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAM

Loan Participation Program

SD WORKS is a direct lender providing credit support by originating a "companion" loan to borrowers in conjunction with a bank loan. The program provides up to 40 percent of the borrower's financing needs with a soft cap of $1,000,000. Borrower must provide at least 10 percent in equity.

For working capital loans GOED's companion loans generally represent up to 20 percent of total financing. SD WORKS typically offers 5-year fully amortized loans with a rate that is 1 percent less than the bank lender's rate.

For property purchases and development, SD WORKS provides interim financing in conjunction with the state's Revolving Economic Development and Initiative (REDI) Fund, South Dakota's Economic Development Finance Authority (EDFA) bond program, or the SBA 504 loan program. GOED's maximum participation in a project is about 35 percent to 40 percent of the total loan request. GOED also charges an origination fee of 1.5 percent to cover some of administrative fees and servicing costs for SD WORKS

Credit Support Program Outcomes

Through December 31, 2015, GOED expended 61 percent of its allocation to support 16 loans, which generated $65 million in total financing or $8.10 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain approximately 700 jobs. A variety of industries have received loans from SD WORKS, including business services, construction, health and education, personal services, and retail. Twelve banks have participated in the 16 loans made through SD WORKS. See Table SD-2 for additional credit support program outcomes.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Relationship marketing has helped SD WORKS succeed. Relationships with key lenders have driven lending activity, and they must build from past efforts.
- The technical assistance and networking offered by Treasury proved critical for South Dakota in identifying ways to improve their program design and best practices.
- If more funding were available, GOED would like more flexibility to work in partnership with other federal programs. For instance, GOED can do interim SBA 504 construction financing, but sometimes it can be hard to separate assets so that they can be used as collateral for multiple transactions (e.g., for 504 or USDA loans).
- Engaging BankWest to close and service the loans helped to build confidence in partner banks and contributed to the program's success.
- The state hopes to sustain the program beyond 2017 by keeping repayments and fees at the level needed to support continued lending. However, an alternative is to integrate SD WORKS with GOED's pre-existing programs at some point in the future to reduce administrative burden.

Tennessee

PROGRAM PORTFOLIO OVERVIEW[100]

Using $29.7 million in SSBCI allocation, Tennessee operates a venture capital program – the Tennessee INCITE Co-investment Fund (INCITE Fund). The INCITE Fund seeks to leverage and support existing investors serving Tennessee small businesses.

The Tennessee Department of Economic and Community Development (TNECD), the state's primary economic development agency, is responsible for implementing a statewide innovation-focused effort named INCITE – INnovation, Commercialization, Investment, Technology, Entrepreneurship. The INCITE Fund is the capital formation strategy within this effort. TNECD designed the co-investment venture capital program and contracted with the Tennessee Technology Development Corporation (d/b/a LaunchTN) to manage the program. LaunchTN is a quasi-public nonprofit established in 1998 with responsibility for Tennessee's statewide innovation-based economic development agenda.

Table TN-1: Tennessee's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Tennessee INCITE	Venture Capital	$29.7 million	LaunchTN

Program Outcomes

Tennessee supported 83 investments that generated almost $147 million in total financing through December 31, 2015.

Table TN-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
83	$28.9 million	$0	$147.2 million	$1.77 million	5.1:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,458	7 FTEs	3 years	40%	13%	1. Information 2. Professional, Scientific, and Technical Services 3. Manufacturing

**Includes funds expended for administrative costs*

[100] *All data and program descriptions presented here are as of December 31, 2015.*

VENTURE CAPITAL PROGRAM

Venture Capital Program Design and Operations

The program and investment managers describe Tennessee's entrepreneurial ecosystem as an emerging market for high-growth potential businesses, with the state's economic development goal as "making Tennessee the #1 place in the Southeast to start and grow a business." Tennessee created the INCITE Fund in this context as a strategy to spur private investment and increase the size of equity investment rounds in Tennessee-based businesses. The program does not target specific investment stages or industry sectors but rather matches private investment within defined program parameters.

The INCITE Fund operates as an authorized co-investment fund with "approved investors" – investors submitting an application to LaunchTN and meeting minimum requirements set by the state – receiving capital from the program for qualified business investments. Program managers communicated a goal of attracting a diverse mix of private investors, specifically out-of-state venture funds, to participate as co-investors. INCITE co-investments are made on a first-come, first-accepted basis as funds remain available. The co-investment amounts are determined based on pre-determined ratios compared with the size of the private investment round:

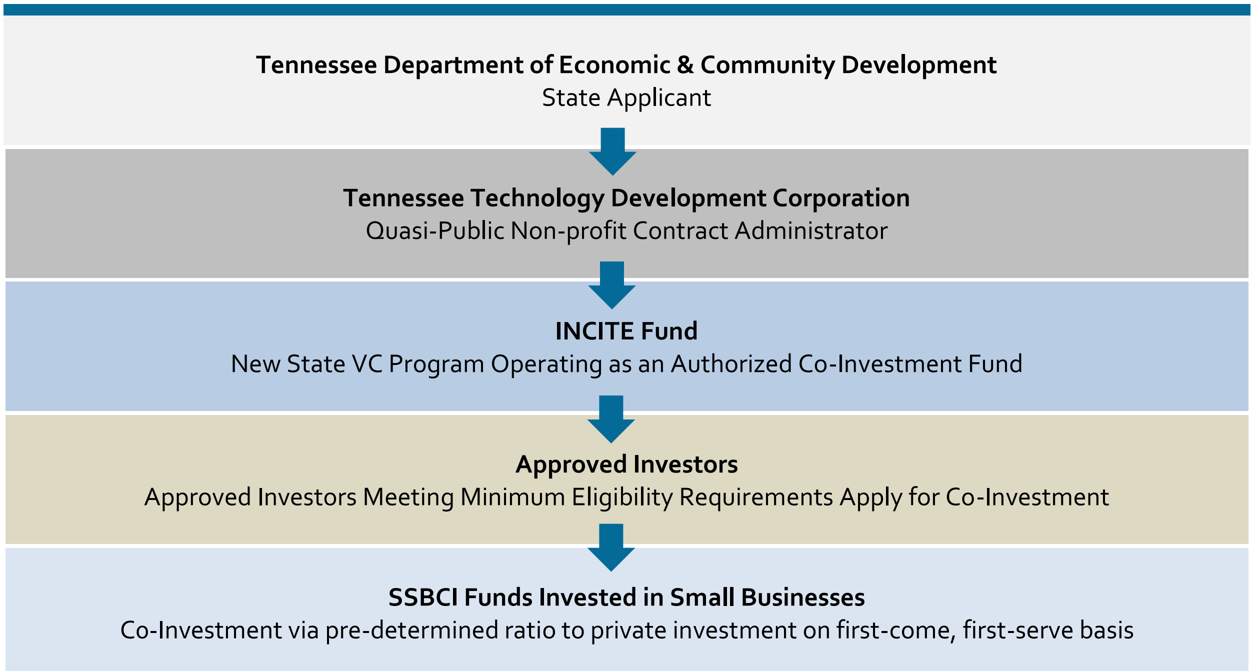
Table TN-3: INCITE Co-Investment Fund Tiers

Investment Tier/Stage	SSBCI Match	Private Investment Requirement	INCITE Fund Co-Investment Range
Tier I: Seed Stage	50%	$200,000 to $1,000,000	$100,000 to $500,000
Tier II: Early/Growth Stage	33%	$1,000,001 to $4,500,000	$330,000.33 to $1,485,000
Tier III: Expansion Stage	25%	$4,500,001 to $12,000,000	$1,125,000.25 to $3,000,000

A unique feature of the INCITE Fund is the absence of a subjective, qualitative review and evaluation process by the investment manager. Rather, INCITE Fund administrators created a multi-layer review process for first approving investors and then processing co-investment requests submitted by the approved investors. All co-investments approved by the administrator are subject to verification that the small business receiving the investment meets all SSBCI program guidelines. After an application for funding is approved and private funds are wired to the business, the INCITE funds are transferred to the business.

From the proceeds of liquidated investments, the INCITE Fund will first recover the cost of its investment on pari passu terms with co-investors. For profitable investments, the INCITE Fund will receive 75 percent of its pari passu returns and reward the "approved investor" with 25 percent of the state's profits as a "carried interest" for sourcing and managing the investment transaction.

Figure TN-4: INCITE Co-Investment Fund Structure



Venture Capital Program Outcomes

Through December 31, 2015, Tennessee expended $29 million in co-investments or 97 percent of the allocated SSBCI capital in 83 investments. The SSBCI capital expended generated $147 million in total financing or $5.1 in total capital for every $1 in SSBCI funds spent. Businesses reported that the SSBCI investments will help create or retain over 1,450 jobs. See Table TN-2 for additional venture capital program outcomes.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- The investor application and investment review processes resulted in high third party professional service costs that other SSBCI programs did not incur. Program managers recommended exploring a range of cost-effective options for reliable, credible assistance with program administration.
- States should consider the risk/reward scenario for removing subjective investment decision reviews. The decision can keep government employees, or organizations associated with state government, out of "picking winners and losers"; however, it also creates a potential risk that private investors are allowed to direct public funds into struggling business interests or in businesses that might not be aligned with a state's economic development objectives.
- When designing a new program, managers and administrators should think carefully about how to establish processes, definitions, and criteria that satisfy requirements without creating unnecessary burdens on private investors. For example, the program manager needed to adjust definitions and co-investment ratios during implementation, which might have restricted or reduced investor participation at times.

Texas

PROGRAM PORTFOLIO OVERVIEW[101]

Using $46.5 million in SSBCI allocation, the Texas Department of Agriculture (TDA) operates a venture capital program called Jobs for Texas –Venture Capital (J4T-VC), a new program that primarily focuses on increasing the supply of committed investor capital for seed and early stage investments in high-growth small businesses in any industry.

Table TX-1: Texas' SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Jobs for Texas-Venture Capital	Venture Capital	$46.6M	Texas Department of Agriculture

Program Outcomes

Texas supported 42 investments that generated almost $520 million in total financing through December 31, 2015.

Table TX-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
42	$38.6M	$0	$461.2.0M	$10.98M	12:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,173	9 FTEs	6 years	24%	2%	1. Information 2. Professional, Scientific, and Technical Services 3. Manufacturing

**Includes funds expended for administrative costs*

[101] *All data and program descriptions presented here are as of December 31, 2015.*

VENTURE CAPITAL PROGRAM

J4T-VC used two distinct approaches for deploying SSBCI funding. In Phase 1, J4T-VC committed $27 million or 58 percent of the state's allocation to two sidecar funds managed by national CAPCO firms. The proposed funds satisfied the request for proposal parameters of having at least $100 million of capital under management and engaging developmental venture capital activities as the focus of its business. In Phase II, TDA modified the J4T-VC to invest in new funds managed by regional angel investor groups and seed and early stage venture capital firms. In Phase 2, J4T-VC committed $19.5 million or 42 percent of its allocation to five new funds that were required to raise private capital alongside the state's funds.

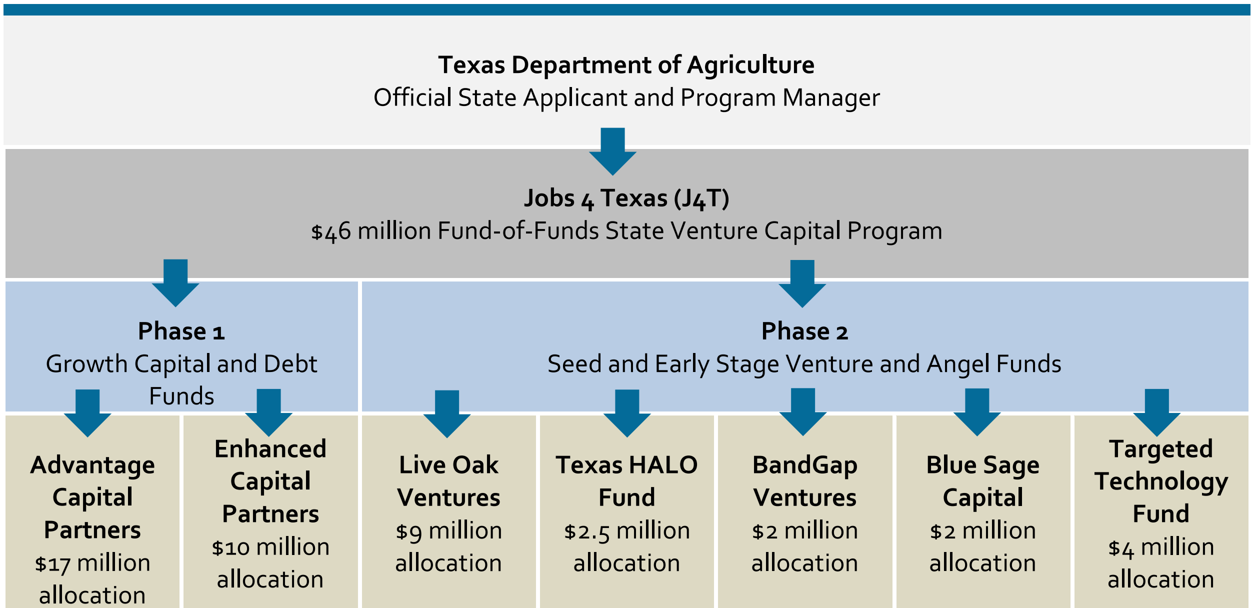
The Phase 1 strategy was to support job retention and creation with firms actively managing investment funds in the state. Both Phase 1 allocation recipients were active participants in the state's $400 million Certified Capital Companies (CAPCO) program, under which they managed private investment funds primarily capitalized with allocations of state tax credits passed through to fund investors. Phase 1 fund managers frequently used their Texas CAPCO funds as the sole source of matching funds and capital at risk in SSBCI investments, which were held in special purpose vehicles as a stand-alone fund under management. The participating funds deferred management fees until investment returns were realized, recouping them along with their negotiated share of investment profits.

The J4T-VC Phase 2 strategy was focused on capital formation – specifically, the creation of new funds with private sector limited partners (LPs). J4T-VC required Phase 2 allocation recipients to raise private capital investments for their funds alongside SSBCI capital, which could not exceed 40 percent of their funds.

J4T-VC also negotiated unique limited partnership agreements with the funds to comply with SSBCI limitations and to prioritize the return of principal to the state. Participating funds cannot charge a management fee on SSBCI capital; they must return J4T-VC capital prior to any profit distributions; and they can only use SSBCI capital for investments in Texas-based businesses. In exchange for these restrictions, J4T-VC provided participating funds with a substantial carried interest – up to 75 percent compared to 20 – 30 percent. J4T-VC program managers describe Phase 2 as an "emerging fund managers" program as this phase is designed to help new fund managers raise capital and demonstrate a track record of investment gains in addition to supporting businesses with direct investment.

The state holds SSBCI capital in a dedicated J4T-VC fund and disburses capital to small businesses for each transaction after a compliance review. Proceeds from liquidated investments are returned directly to the J4T-VC fund.

Figure TX-3: J4T-VC Structure



Venture Capital Program Outcomes

Through December 31, 2015, participating J4T-VC funds expended $38.6 million or 83 percent of allocated program capital, with a leverage ratio of 13.5 to 1. Through year-end 2015, 98 percent of program investments were made in metro areas, which are generally not the focus of TDA programs. See Table TX-2 for additional venture capital program outcomes.

With the emphasis on job counts, Phase 1 funds invested significantly in a small number of later stage businesses. The average investment size was $1.5 million and company age of 8.5 years. Phase 1 investees reported the investments will help create or retain approximately 260 jobs. The pace of Phase 1 fund investments was slower than expected, and J4T-VC program managers eventually recalled $5 million of committed capital.

Phase 2 fund managers were able to establish new funds anchored with SSBCI capital. For example, one J4T-VC investment enabled a new venture capital firm to accelerate the close on the first $60 million tranche for its inaugural fund.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- J4T-VC program managers developed an SSBCI compliance checklist to approve cash disbursements for investments authorized by private fund managers managing program allocations. The method was hailed as an administrative best practice by Office of Inspector General auditors.[102]
- J4T-VC program managers adapted to market feedback and its own research to modify the program after the Phase 1 allocations to develop a fund of funds program that can lead to capacity building through forming sustainable private venture capital sources.

[102] Office of Inspector General, report number: OIG-SBLF-13-003, "State Small Business Credit Initiative: Texas' Use of Federal Funds for Other Credit Support Programs," January 29, 2013.

Utah

PROGRAM PORTFOLIO OVERVIEW[103]

Using $13.2 million in SSBCI allocation, the Utah Housing and Community Development Division (HCDD) operates two credit support programs. With the SSBCI program portfolio, the state sought to increase credit opportunities for eligible small businesses and target the lower tier of customers not currently bankable under traditional lending underwriting criteria. The Utah Small Business Growth Initiative (USBGI), a nonprofit private entity, manages the new credit support programs. Treasury approved a state venture capital program, the Equity Investment Program (EIP), in 2013; however, the $4 million in SSBCI funds allocated to the EIP were subsequently reallocated to the credit support programs.

Table UT-1: Utah's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Utah Small Business Loan Participation Program	Loan Participation	$6.4 million	Utah Small Business Growth Initiative
Utah Small Business Loan Guarantee Program	Loan Guarantee	$5.3 million	Utah Small Business Growth Initiative
Equity Investment Program	Venture Capital	$1.4 million	Utah Small Business Growth Initiative

Combined Program Outcomes

Utah supported 34 loans and investments that generated $47 million in total financing through December 31, 2015.

Table UT-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
34	$7.6 million	$0	$47.0 million	$1.38 million	6.2:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,669	15 FTEs	7 years	38%	12%	1. Manufacturing 2. Administrative and Support and Waste Management and Remediation Services 3. Accommodation and Food Services

**Includes funds expended for administrative costs*

[103] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Participation Program

The Utah Small Business Loan Participation (LPP) purchases loan participations up to 50 percent of the transaction amount or makes direct companion loans to eligible businesses.

The LPP aims to reach those businesses operating in defined target areas, such as in rural areas. Businesses come to the LPP via referrals from a participating financial institution or via a direct application from an eligible small business. As with the LGP, the LPP operates in close coordination with the Utah Small Business Credit Advisory Council (CAC). The CAC is composed of volunteers from the USBGI Board of Directors. The group is chaired by the Director for HCDD, which considers and make recommendations for all loans. A fee of 0.5 percent to 2 percent of the LPP amount is charged at closing along with USBGI receiving interest on the loan and a return of capital.

Loan Guarantee Program

The LGP will guarantee up to 80 percent of a qualified loan, term or line of credit. An amount equal to 10 percent of each guaranteed amount is placed into a state-managed reserve account that can pay claims to a partner bank after all collection efforts have been made by that financial institution.

All applicants to the LGP must have a financial institution sponsor to apply, with loans underwritten by financial institutions and subject to the review and recommended approval for program enrollment by the CAC. The loan guarantees have proven particularly useful in facilitating deals that refinance SBA loans with step-ups for expansion, businesses hurt by the recession but now have prospects to return to traditional business operations, bridge construction loans to the SBA 504 program, and working capital lines of credit with maturities in the 1 to 2 year range. Fees for participation in the LGP amount vary from 2 – 4 percent of the guaranteed portion of a transaction.

The loss reserve amounts and loan terms of the Loan Guarantee Programs (LGP) are based on the design features of the California Small Business Loan Guarantee Program and from discussions with the Utah Bankers Association and local lenders.

Credit Support Program Outcomes

Through December 31, 2015, Utah's SSBCI lending programs supported 30 loans using $6.6 million in SSBCI financing. The SSBCI loans generated $38.6 million in total financing or $5.80 in total financing for every $1 in SSBCI funds spent. Businesses reported that the transactions will help create or retain almost 1,650 jobs. The LGP has used $5.5 million in SSBCI funds to support 26 loans and generated $30.8 million in total financing for a leverage ratio of 5.6 to 1. The LPP has used $1.1 million in SSBCI funds to support 4 loans and generated $7.4 million in total financing for a leverage ratio of 6.6 to 1.

Table UT-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
30	$6.6 million	$0	$38.3 million	$1.28 million	5.8:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,646	14.5 FTEs	7.5 years	40%	13%	1. Manufacturing 2. Administrative and Support and Waste Management and Remediation Services 3. Accommodation and Food Sercvices

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- The LGP has worked well for several start-up businesses in the state, providing critical capital by offsetting lenders' reluctance to lend when a business has limited financial history.
- Utah added a contractor with significant banking experience, USBGI, to help administer their LGP and LPP programs once they determined that they didn't have sufficient staff experience in-house. This program modification along with intensified marketing and outreach efforts to bankers led to increased SSBCI program activity.
- Sustainability of the programs has been a top priority for the state from the outset. Important to this end is maintaining deal flow, collecting loan fees, monitoring all loan payments, and tracking losses.
- While an initial intention for the LPP and LGP programs was to serve as part of a comprehensive approach to improving underserved communities, in conjunction with other federal funds targeting housing, in practice many deals have fallen outside these parameters. A wider net was cast in order to build the deal pipeline, meet market demand, and create sustainability.
- Refinancing on non-matured loans with the same financial institution is not possible under SSBCI guidelines and this has been a problem for the state.

VENTURE CAPITAL PROGRAM

In early 2013, Utah was approved for a new venture capital program, the Utah Equity Investment Program (EIP) that was designed to complement an existing state venture capital fund of funds program by supporting early-stage investments. However, after working through early program implementation, the program manager opted to support the EIP with state funds and reallocate SSBCI funds to approved credit support programs.

Venture Capital Program Outcomes

Through December 31, 2015, the EIP invested $1 million in four businesses and generated almost $9 million of new capital investment. Businesses reported that the capital will help create or retain over 20 jobs.

Table UT-4: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
4	$1.0 million	$0	$8.7 million	$2.18 million	8.7:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
23	17 FTEs	2 years	25%	0%	1. Information 2. Finance and Insurance 3. Professional, Scientific, and Technical Services

**Includes funds expended for administrative costs*

Vermont

PROGRAM PORTFOLIO OVERVIEW[104]

Using $13.2 million in SSBCI allocation, Vermont operates two credit support programs. Vermont Economic Development Authority (VEDA) manages the program. VEDA, a quasi-public agency, was formed in 1974 and has a long history of operating loan guarantee and direct loan programs, among other small business financing programs.

Table VT-1: Vermont's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Commercial Participation Program	Loan Participation	$7.8 million	Vermont Economic Development Authority
Small Business Participation Program	Loan Participation	$5.3 million	Vermont Economic Development Authority

Program Outcomes

Vermont supported 165 loans that generated almost $162 million in total financing through December 31, 2015.

Table VT-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
165	$13.2 million	$3.0 million	$161.7 million	$980,100	12.3:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,815	8 FTEs	10 years	13%	66%	1. Manufacturing 2. Accommodation and Food Services 3. Retail Trade

[104] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

VEDA operates two direct loan programs and generally funds a portion of each loan with SSBCI dollars and the remainder with its own capital. In some cases, VEDA provides a companion loan, which is subordinate to a loan from a financial institution.

Loan Participation Programs

Commercial Participation Program: Under the Commercial Participation Program, VEDA will finance up to 40 percent of a project. Another financial institution and the borrower will fund 50 percent and 10 percent, respectively, of the project. The total financing (including SSBCI funds) may be up to $1.5 million or 40 percent of the total project (whichever is less). Currently, VEDA charges an interest rate of 2.5 percent for up to three years. After that, rates vary with the VEDA index (3 percent today) for the remainder of the loan. The commitment fee is 1 percent of the loan amount, up to $3,500 for commercial entities.

Small Business Participation Program: Under the Small Business Participation Program (loans up to $500,000), VEDA lends direct or can participate as a companion lender by providing a subordinate loan (of up to 40 percent) for the project. The commitment fee is 1.25 percent, up to $2,500 for small businesses. VEDA charges a fixed rate for five years and a variable rate thereafter.

Credit Support Program Outcomes

Through December 31, 2015, VEDA expended all of its allocation to support 165 loans, generated almost $162 million in total financing, and achieved an overall leverage ratio of 12.3 to 1. VEDA noted that it was able to achieve the target level of leverage with the help of recycled funds. Businesses reported that the loans will help create or retain over 1,800 jobs. Approximately 58 percent of business that received funds had 10 or fewer than full-time employees. See Table VT-2 for additional credit support program outcomes.

The program manager noted VEDA's nonperforming loans total less than $500,000 for both the commercial and small business portfolio. As of year-end 2015, the smallest loan was $22,100 and the largest project was $20 million.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Banks of all sizes have participated in the programs: VEDA noted participation in the program ranged from the larger national banks (TD Bank, People's United, and Key Bank) to some of the state's community banks. Vermont has one CDFI providing small business loans, but because the CDFI loans were so small, VEDA's participation was not needed.
- VEDA learned that ease of use was important to banks. The reason for low usage of CAP was that banks found the enrollment procedures to be burdensome. VEDA considered automating the CAP enrollment process but finally decided against this option. Additionally, VEDA decided to merge its Technology Support Participation Program and Commercial Participation Program for ease of reporting for banks.
- Although Vermont has a number of development corporations, these nonprofits were not active in VEDA programs. VEDA noted that the majority of the loans made by these entities do not qualify for SSBCI funds because the projects involve the purchase of passive real estate, an activity prohibited by SSBCI rules.

Virgin Islands

PROGRAM PORTFOLIO OVERVIEW[105]

Using $13.2 million in SSBCI allocation, the U.S. Virgin Islands (USVI) operates three credit support programs – two loan guarantee programs and a collateral support program.

The Virgin Islands Economic Development Authority (VIEDA), a quasi-public agency, manages the programs.

Table VI-1: USVI's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Credit Guarantee Program	Loan Guarantee	$6.9 million	Virgin Islands Economic Development Authority
Collateral Support	Collateral Support	$3.8 million	Virgin Islands Economic Development Authority
Payment, Surety and Performance Bonding Program	Loan Guarantee	$2.5 million	Virgin Islands Economic Development Authority

Program Outcomes

USVI supported 26 loans that generated $12 million in total financing through December 31, 2015.

Table VI-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
26	$4.3 million	$0	$12.0 million	$462,100	2.8:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
432	7 FTEs	2 years	12%	100%	1. Health Care and Social Assistance 2. Accommodation and Food Services 3. Arts, Entertainment and Recreation

**Includes funds expended for administrative costs*

[105] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Guarantee Programs

Credit Guarantee Program (CGP): The CGP guarantees up to 80 percent of the loan amount. Unlike most guarantee programs, funds backing 100 percent of the guarantee are placed on deposit at the bank as cash collateral.

Payment, Surety and Performance Bonding Program (PSPBP): The PSPBP provides for guarantees up to 30 percent of the value of a performance or payment bond issued by a private surety company (or through a bank-issued standby letter of credit that serves the same purpose of a bond) on behalf of a small construction business. This bond is often required for small contractors seeking to successfully bid on work offered by larger general contractors.

Collateral Support Program

The Collateral Support Program provides cash collateral in an amount up to 50 percent of the loan. Due to requests for support that were larger than expected, USVI amended its Collateral Support Program in 2012 to increase the maximum dollar amount per borrower from $150,000 to $500,000.

Credit Support Program Outcomes

Through December 31, 2015, USVI expended $4.3 million to support 26 transactions and generated nearly $12 million in total financing or $2.80 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create and retain approximately 430 jobs. See Table VI-2 for additional credit support program outcomes.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Marketing helped increase program activity, especially in 2014.
- VIEDA noted a shift in its SSBCI program use from the CSP to the LGP. The CSP was initially popular because banks used real estate as collateral for many loans.
- The program manager recommended shorter loan terms.

Virginia

PROGRAM PORTFOLIO OVERVIEW[106]

Using $18 million in SSBCI allocation, Virginia operates three credit support programs and a venture capital program. With the SSBCI program portfolio, the state used SSBCI funds to complement an array of business financing programs such as a pre-existing Economic Development Loan Fund (EDLF) – a loan participation program, pre-existing capital access program (CAP), and microloan programs.

The Virginia Small Business Financing Authority (VSBFA), the state's economic development and business financing arm administers the program. It provides tax-exempt bond financing for small manufacturers and 501(c)(3) nonprofits.

Table VA-1: Virginia's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Cash Collateral Program	Collateral Support	$14 million	Virginia Small Business Financing Authority
Economic Development Loan Fund	Loan Participation	$500,000	Virginia Small Business Financing Authority
Virginia Capital Access Program	Capital Access	$400,000	Virginia Small Business Financing Authority
Center of Innovation Technology (CIT) Gap Fund	Venture Capital	$3 million	Virginia Small Business Financing Authority

Combined Program Outcomes

Virginia supported 215 loans and investments that generated almost $89 million in total financing through December 31, 2015.

Table VA-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
215	$15.7 million	$0	$88.7 million	$412,600	5.7:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
4,071	5 FTEs	4 years	30%	21%	1. Professional, Scientific, and Technical Services 2. Accommodation and Food Services 3. Information

**Includes funds expended for administrative costs*

[106] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Collateral Support Program

With the Cash Collateral Program (CCP), VSBFA provides cash collateral for up to 40 percent of the bank's loan amount, with $500,000 maximum cash collateral provided. The maximum term of the collateral support is 5 years for term loans. Lines of credit may be renewed up to two times, with a maximum term for the collateral support of 3 years. The application fee is $200. A fee of 1.5 percent of the cash collateral amount can be collected at closing, although that fee has been waived in transactions to date. Banks must liquidate other collateral before collecting against the collateral account.

VSBFA underwrites loans in the CCP and direct loan/purchased participation programs including a review of the bank's credit memorandum and the borrower's financials. VSBFA's chief credit and chief executive officers, who have lending authority up to $500,000, must approve all SSBCI-funded loans.

Loan Participation Program

The Economic Development Loan Fund makes companion loans equal to the lesser of 40 percent of total project costs and $500,000. Interest rates are at market rates or below, depending on risk.

Capital Access Program

Virginia CAP (VCAP) requires the borrower and lender each to contribute to a reserve account with combined contributions ranging from 2 percent to 7 percent of the enrolled loan amount. VSBFA uses SSBCI funds to match the combined borrower and lender contributions on a one to one basis. The maximum enrolled loan amount is $500,000. Although the bank may have a longer term and amortization period, the maximum term the loan can remain enrolled in VCAP is 10 years.

Credit Support Program Outcomes

Through December 31, 2015, Virginia's credit support programs expended $13.3 million in 186 transactions, and generated nearly $46.5 million in total financing or $3.50 in total financing for every $1 in SSBCI funds spent. Businesses reported that these loans will help create or retain over 3,200 jobs.

Table VA-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
186	$13.1 million	$0	$46.5 million	$250,100	3.6:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
3,234	4 FTEs	5 years	34%	24%	1. Professional, Scientific, and Technical Services 2. Accommodation and Food Services 3. Other Services (except Public Administration)

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Community banks have been the primary users of Virginia's SSBCI programs. Large multi-state banks require uniformity of credit enhancement products across state lines and larger enhancement programs that can be more relevant to their scale of institution.
- Although small businesses are the end user, banks are the primary point of marketing contact. Direct marketing to small businesses can lead to lots of time-consuming phone calls and inquiries that yield a modest number of creditworthy applicants.
- The Virginia Bankers Association is a key marketing partner, providing a point of entry to a state's banking community.
- The program's website is a crucial and efficient conduit for up-to-date information and marketing materials for both banks and small businesses. Because the site was originally hosted and maintained by the state, it was difficult to quickly update information for end users. Once the Virginia Banker's Association took over management of the program's web presence, the program manager was able to provide its partners with comprehensive and timely information.
- Lenders prefer the CCP program because it is efficient, low- or no-cost, and maximizes their loans outstanding.
- The deposit relationship created through the CCP is attractive to banks as well, although its importance in Virginia is lessened by the state requirement that deposits be collateralized.

VENTURE CAPITAL PROGRAM

The CIT GAP Funds is a venture capital program managed by the Center for Innovative Technology (CIT), a Virginia state-sponsored non-profit venture development organization. The program manager contracted with CIT to manage $3 million of the state's $18 million SSBCI allocation. The SSBCI-financed CIT GAP Funds invest in science- and technology-based startups with high-growth potential. In most cases, it will lead or co-lead small equity investment rounds in seed stage technology startups with the potential to develop and raise much larger follow-on investment rounds.

Venture Capital Program Design and Operations

CIT GAP Funds is a program of CIT, a non-profit technology-based economic development (TBED) organization created by the Commonwealth of Virginia in 1985. CIT invests in businesses that specialize in life sciences, information technology, and energy technologies. The CIT GAP Fund allocation is invested alongside non-SSBCI funds appropriated to CIT by the Commonwealth of Virginia. The CIT GAP Funds team sources deals, performs due diligence and syndicates investment rounds with angel investors and seed/early stage venture funds. The typical CIT GAP Funds investment is $100,000 – $200,000, with co-investors raising the initial investment rounds of $200,000 – $1 million.

With experienced investment managers on staff and accomplished private sector executives on its investment committees, CIT provides a seed stage startup with much-needed credibility with angel investors and early stage venture funds. CIT's governance systems ensure that investment decisions are insulated from government influence or perceptions of government influence. In addition to providing the role of lead investor, CIT also has mentoring and other support services, such as educational programs and networking events, available for first-time entrepreneurs.

Figure VA-4: CIT GAP Fund Structure

Virginia Small Business Financing Authority
Official State Applicant

↓

Center for Innovative Technology (CIT)
Contracted Private, Non-profit Investment Manager

↓

CIT GAP Fund
A New State Venture Capital Program
($3 million SSBCI allocation)

↓

SSBCI funds are invested by the state sponsored, non-profit investment manager into eligible Virginia small businesses

Venture Capital Program Outcomes

Following Treasury's approval, the CIT GAP Fund became operational in March 2014 and made its first investment commitments in the third quarter of 2014. In just one year, CIT GAP Funds committed $1.9 million or 95 percent of the $2 million of allocated SSBCI capital. Through December 31, 2015, CIT GAP Fund investments had achieved a leverage ratio of 15.8 to 1. Businesses reported that the SSBCI investments will help create or retain almost 840 jobs. In December 2015, Virginia reallocated $1 million to CIT GAP Funds from other SSBCI programs administered by VSBFA, increasing the total allocation to the CIT GAP Fund to $3 million.

Table VA-5: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
29	$2.7 million	$0	$42.2 million	$1.46 million	16.1:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and-Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
837	6 FTEs	2 years	7%	0%	1. Information 2. Professional, Scientific, and Technical Services 3. Manufacturing

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Virginia modified its program to include an established venture capital program with a good investment and leverage track record that was overlooked in the initial allocation decisions.
- The program manager recognized the value of including a venture capital option within its SSBCI program portfolio and CIT recognized that it needed to be more attuned to various state programs and funding opportunities.

Washington

PROGRAM PORTFOLIO OVERVIEW[107]

Using $19.7 million in SSBCI allocation, Washington operates a new capital access program (CAP), a loan participation program, a collateral support program, and a venture capital program (the W Fund).

The Washington Department of Commerce (Commerce) administers the credit support programs and the collateral support program directly. Commerce contracted with Craft3 Fund, a CDFI, to manage the loan participation program as a revolving loan fund. Commerce also contracted with the W Fund to administer the venture capital program.

Table WA-1: Washington's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Craft3 Fund	Loan Participation	$9.9 million	Washington Department of Commerce
Collateral Support Program	Collateral Support	$4.5 million	Washington Department of Commerce
Capital Access Program	Capital Access	$300,000	Washington Department of Commerce
W Fund	Venture Capital	$5 million	W Fund Management, LLC

Combined Program Outcomes

Washington supported 73 loans and investments that generated almost $150 million in total financing through December 31, 2015.

Table WA-2: Combined Program Activities and Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
73	$15.8 million	$1.43	$149.9 million	$2.05 million	9.5:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,692	9 FTEs	6 years	40%	12%	1. Manufacturing 2. Construction 3. Professional, Scientific, and Technical Services

**Includes funds expended for administrative costs*

[107] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

Loan Participation

The Craft3 Fund was designed so that SSBCI monies would be leveraged with additional funds that Craft3 would raise from banks and other sources. Washington chose Craft3 as the administrator due to its successful history lending to businesses located in underserved communities throughout Washington. Additionally, Craft3 had the structure, staff, policies, and procedures in place to be able to underwrite, disburse, and monitor loans.

To date, most transactions have been term loans or lines of credit secured by receivables. The average term is five to seven years offered at a 7 percent to 9 percent interest rate and fees charged between 1 percent and 2 percent of the participation amount. Commerce maintains close contact with Craft3 and has twice monthly meetings to discuss new loans. Craft3 was able to participate in loans totaling its full allotment, and Craft3 began using recycled funds. The program was designed such that the funds will remain with Craft3 after the SSBCI expires to continue pursuing the mission of providing capital to small businesses.

Collateral Support Program

Commerce designed the Collateral Support Program to support short-term loans, primarily as a SBA 504 bridge fund, where financing is needed for construction projects that will ultimately be taken out by SBA 504 financing. Commerce offers a maximum collateral support of 20 percent of the loan amount for loans with terms less than 6 months and 15 percent of the loan amount for loans with terms more than 6 months. The collateral support amount will not exceed $500,000 per borrower.

Capital Access Program

Under Washington's CAP, the borrower and lender each to contribute to a reserve account with combined contributions ranging from 2 percent to 7 percent of the principal loan amount. Washington uses SSBCI funds to match the borrower and lender contributions on a one to one basis. Washington prequalifies the banks and, when the deal is being completed, the underwriting package is provided to Washington to review for compliance. Smaller community banks have been the primary users of the CAP. The program is currently dormant with only a small amount (less than $100,000) in the reserve account. After the roll out of the other programs, lenders were not interested in participating in the CAP for various reasons including the need to disburse a significant amount of loans to achieve sufficient reserve amounts.

Credit Support Program Outcomes

Through December 31, 2015, Washington's credit support programs expended $10.6 million to support 52 transactions, and generated $111 million in total financing or $10.50 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain almost 1,580 jobs. While a variety of industries have benefited from the three credit support programs, businesses in manufacturing and construction industries have received around 60 percent of the loans.

Table WA-3: Credit Support Program Activities and Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
52	$10.8 million	$1.43	$111.2 million	$2.14 million	10.3:1

Jobs Created or Retained per Businesses	Median Business Size	Median Business Age	Transactions in Low- and Moderate-Income Areas	Transactions in Non-Metro Areas	Top Industries Assisted
1,577	18 FTEs	12 years	52%	17%	1. Manufacturing 2. Construction 3. Accommodation and Food Services

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Commerce did not require Craft3 to continue reporting its ongoing impact data after 2017. If it had, these impacts could be captured and report by the agency.
- Washington noted that best results (funds deployed) were seen when marketing was directed at financial institutions, not businesses.
- One hurdle that Craft3 did not foresee was the difficulty in raising additional bank monies for the Fund, which was needed to leverage the SSBCI funds.
- Washington has also identified a need for microloans and agricultural lending as the businesses in these industries have difficulty obtaining credit.
- Staff resources are important to support program marketing and design improvements.

VENTURE CAPITAL PROGRAM OVERVIEW

The W Fund is a new venture capital program supported by SSBCI funding. The program consists of a single private venture capital fund with an investment focus on start-ups from research institutions. The W Fund raised $19.1 million in total capital – $5 million in SSBCI funds and $14.1 million in private funds. The W Fund was initiated at the impetus of the technology transfer office at the University of Washington (UW), but is independent from the university and supported with SSBCI funds to increase the supply and accessibility of risk capital for early-stage businesses in Washington.

During the strategy design phase, program leaders met with local investors to measure the new investment fund strategy with perceived market need. The research and market feedback confirmed low levels of early-stage capital supply in Washington, particularly in industries such as life sciences that are outside the existing regional strengths of information technology and digital media.

UW leadership recognized the importance of nurturing startup activity as an effective way to leverage research activity, commercialize new technologies, retain valuable talent, and encourage statewide economic development. The initial idea was for a capital program exclusive to UW, but the strategy broadened to include a statewide footprint for attracting a larger investee and investor pool.

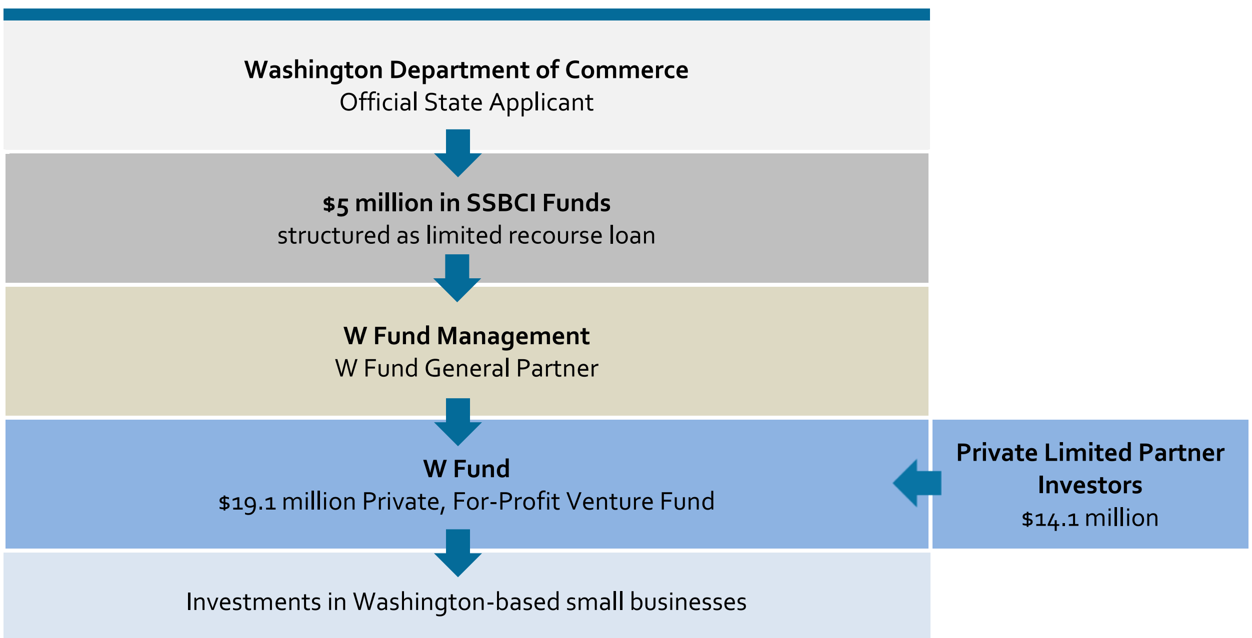
Venture Capital Program Design and Operations

The W Fund aims to support small businesses that would not likely have received private investment without W Fund involvement. Investments are typically structured as convertible notes led by the W Fund at either the seed stage or at the Series A equity round. The W Fund was designed to evaluate and make initial early-stage investments, but the Fund is not positioned to carry investments through company growth stages. The Fund plays a substantial role in building investor syndicates for raising private co-investment in investees.

Commerce's financial participation in the W Fund is structured as a limited recourse loan with capped interest to the W Fund General Partnership. WDC committed the $5 million in SSBCI funds in tranches paid out once the W Fund achieved performance milestones and an investment trajectory. The investment manager accelerated deployment of SSBCI funds with a guaranteed investment match from the fund's private investors. SSBCI funds are disbursed to investees with no management fees charged.

The W Fund's General Partner is a Limited Liability Company led by a board of five members. The fund has an investment committee with twenty members, eight of whom have responsibility for investment decisions. The investment committee is segmented into specialized sector groups for review of potential investments to be decided on by the full investment committee. WDC staff participates as a silent observer on the investment committee with no voting rights. Private co-investment participants were most often individual angel investors or angel investment funds for seed stage transactions, with occasional co-investment from institutional investors. To attract additional private financing to W Fund early-stage investments, the investment manager is working to form a new angel group called W Angels, comprised of investors in the W Fund and other accredited investors.

Figure WA-4: Washington Venture Capital Program Structure



Once the anticipated first round investment funds had been depleted, the investment manager shifted focus to support follow-on financing founds of the most promising portfolio businesses. The investment portfolio leverage is 7.5 to 1.

Venture Capital Program Outcomes

Through December 31, 2015, the W Fund expended $5.2 million in SSBCI capital to support 21 small business investments that have generated almost $39 million in total financing. Businesses reported that the investments will help create or retain 115 jobs.

Table WA-4: Venture Capital Program Activities and Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
21	$5 million	$0	$38.7 million	$1.84 million	7.5:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
115	3 FTEs	1 year	10%	0%	1. Manufacturing 2. Professional, Scientific, and Technical Services 3. Information

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Commerce felt that attracting the very best executive talent to align with company strategies was important in developing a strong investment portfolio that could deliver both financial and economic development returns.
- Leveraging resources – people, innovation, facilities – at leading research universities is a smart, effective economic development strategy. Financial capital is often the missing link to job creation and economic impact. However, identifying opportunities at universities is not sufficient. It is also important to have high-level university support for research commercialization and entrepreneurship initiatives.
- The investment manager witnessed the benefit of attracting non-dilutive funding for early-stage businesses developing technology, so providing assistance for the grant writing process can be valuable assistance.
- The managers learned that limiting real or perceived "red tape" issues helped to facilitate more investment opportunities with private investors.

West Virginia

PROGRAM PORTFOLIO OVERVIEW[108]

Using $13.2 million in SSBCI allocation, West Virginia operates three credit support programs and a venture capital program. With the SSBCI program portfolio, the state funded venture capital, direct lending, collateral support, and loan guarantee programs. West Virginia structured its programs to encourage the participation of economic development agencies throughout the state, including rural areas.

The West Virginia Jobs Investment Trust Board (WVJIT) is a state-sponsored nonprofit organization that has managed small evergreen funds since 1992. WVJIT is experienced in early-stage investment in small businesses, having invested $19.2 million in 25 businesses that has resulted in $350 million in private financing prior to SSBCI.

Table WV-1: West Virginia's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Subordinated Debt Program	Loan Participation	$5.4 million	West Virginia Jobs Investment Trust Board
West Virginia Loan Guarantee Program	Loan Guarantee	$152,000	West Virginia Jobs Investment Trust Board
West Virginia Collateral Support Program	Loan Guarantee	$828,000	West Virginia Jobs Investment Trust Board
Seed Capital Co-Investment Fund	Venture Capital	$6.8 million	West Virginia Jobs Investment Trust Board

Combined Program Outcomes

West Virginia supported 53 loans and investments that generated almost $91 million in total financing through December 31, 2015.

Table WV-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
53	$10.8 million	$60,000	$90.8 million	$1.71 million	8.4:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate - Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,165	6 FTEs	6 years	34%	40%	1. Manufacturing 2. Professional, Scientific, and Technical Services 3. Health Care and Social Assistance

**Includes funds expended for administrative costs*

[108] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAMS

WVJIT marketed the State's SSBCI program as the West Virginia Capital Access Program (WVCAP), which includes loan guarantee, collateral support, and loan participation products. Loans made through WVCAP are identified and funded through eight economic development agencies, including WVJIT. Each participating economic development agency is responsible for identifying projects, negotiating the transaction, as well as closing and servicing SSBCI loans made by them. WVJIT does not re-underwrite each loan from a credit perspective, which is the responsibility of the originating economic development agency. Using a grant from the Benedum Foundation, WVCAP can provide loan applicants access to technical assistance, including business planning, financial modeling, and market research.

WVCAP generally requires (subject to leverage ratios) loans funded through SSBCI to be repaid in two years, at which point the participating economic development agency has to return the funds to WVJIT until it identifies a replacement loan. Loans with higher leverage ratios can have a term of up to five years. WVJIT formed a standing oversight committee for the SSBCI program that includes representatives from WVJIT, the other participating economic development agencies and the state's Economic Development Authority and Small Business Development Centers. This oversight committee reports directly to WVJIT's board; among its principal duties, the committee selected participating lenders and approves proposed loans with a focus on compliance. WVJIT's internal accounting, financial reporting, and related administrative functions are performed under an inter-agency agreement with the West Virginia Housing Development Fund.

When the SSBCI program restrictions expire, each participating economic development agency will retain the principal amount of the SSBCI funds that the agency has utilized.

Loan Participation Program

The subordinated loan product is a loan from the participating economic development agency to the borrower, with a bank or other lender providing the senior debt. The loan proceeds can be used to purchase equipment, facility expansion or permanent working capital. WVCAP will provide up to 50 percent of the total financing, with a maximum loan amount of $500,000, with the typical percentage being 20 percent or less. The program manager charges a 1 percent commitment fee. The interest rate on the loan is at or below prevailing interest rates.

Collateral Support Program

Through the West Virginia Collateral Support Program (CSP), the participating economic development agency provides cash collateral for a loan being made by a bank or other lender for up to 20 percent of the loan amount, with $250,000 maximum cash collateral provided. WVCAP charges a fee of 2 percent of the loan amount, with a maximum loan amount of $1.25 million.

Loan Guarantee Program

Guarantees are up to 20 percent of the loan amount for working capital loans, up to a maximum loan guarantee amount of $250,000 and with a similar fee structure to the CSP.

Credit Support Program Outcomes

Through December 31, 2015, West Virginia's credit support programs expended $5.6 million in 23 transactions and generated $44.6 million in total financing or $8.40 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain almost 630 jobs. The CSP expended almost $800,000 in 4 transactions and generated $5 million in total financing. The Subordinated Debt Program expended $4.8 million in 18 transactions and generated $39.4 million in total financing. Finally, the Loan Guarantee Program expended $28,000 in one transaction and generated $140,000 in total financing.

TableWV-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
23	$5.6 million	$60,000	$44.6 million	$1.94 million	8.0:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
627	9 FTEs	6 years	22%	65%	1. Health Care and Social Assistance 2. Accommodation and Food Services 3. Manufacturing

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- By using eight economic development agencies located through the state as its distribution network, WVCAP helped ensure widespread use of SSBCI funds throughout the state, including in rural areas.
- Because the participating economic development agencies gained access to West Virginia's SSBCI funds on a "first-come, first-served" basis, the program was able to quickly deploy its allocation. Because those agencies will retain the SSBCI capital when the federal restrictions expire in 2017, the economic development agencies also had an incentive to underwrite conservatively the loans they made.
- To help ensure an effective distribution network, WVJIT established clear criteria for economic development agencies who could qualify, screening for experienced lenders that had adequate staffing and systems.
- When compared to CSP or the Loan Guarantee Program (LGP), the Subordinated Debt Program achieved higher volume because it was an extension of the existing loan programs of the eight participating economic development agencies. The CSP and LGP were new efforts, and thus required a substantially greater initial marketing effort. In 2012, West Virginia reallocated additional capital to the subordinated loan program.
- In West Virginia, the best point of contact for marketing WVCAP is at the bank branch manager level because they are the point of entry into the bank for most business borrowers. Community banks are important partners in ensuring program success.

VENTURE CAPITAL PROGRAM

WVJIT manages the Seed Capital Co-Investment Fund (SCCF) – a venture capital program with an SSBCI allocation of $6.8 million or 52 percent of the state's allocation. The governor's office selected WVJIT to convene multiple public and private organizations to discuss strategies for deploying SSBCI capital before approving the WVJIT plan to create the SCCF alongside a loan program.

SCCF provides seed- and early-stage equity investments for technology entrepreneurs in a state where there are no active resident venture capital firms. The innovative model managed by WVJIT supports regional non-profit venture development organizations (VDOs) by transferring the rights to SSBCI capital investments sourced by the regional partners following the successful harvest of investments and the conclusion of the SSBCI program. This policy is intended to help establish multiple small evergreen funds managed by regional partners.

Venture Capital Program Design and Operations

SCCF has many characteristics of a co-investment fund in which eight pre-approved VDOs, including WVJIT, source deals and aggregate private investors to at least match the SSBCI capital investment; however, SCCF requires a critical review from WVJIT and a vote by its board of directors on the qualitative aspects of each deal. That board is comprised of thirteen members including five ex officio and eight gubernatorial appointments, so is best classified as an investment fund managed by a state-sponsored non-profit organization.

SCCF is unique within the portfolio SSBCI venture capital programs for the mechanism by which partner VDOs will ultimately be granted ownership rights to the SSBCI capital invested by their recommendations – and any gains derived from the investments – once the SSBCI program is concluded in 2017. Program managers developed this model as an incentive for private non-profit VDOs to perform essential functions of SCCF promotion and deal sourcing while compensating only for performance. INNOVA, Natural Capital Investment Fund, and WVJIT are the non-profit VDOs authorized to source deals and earn a vested interest in the return of principal and profit from successful investments that are focused on seed capital equity investments. Small businesses receiving investments may be referred from university tech transfer offices but most often originate from angel investors or angel investor groups as well as accelerator operations managed by the VDOs. VDO-managed investment funds or angel investors most often provide matching capital.

Figure WV-4: West Virginia Venture Program Structure

West Virginia Office of the Governor
State Applicant

West Virginia Jobs Investment Trust
Quasi-Public Non-profit Contractor Administrator

Seed Capital Co-Investment Fund
New State VC Program Operating as an Authorized Co-Investment Fund

SSBCI Funds Invested in Small Businesses in West Virginia
Co-investment via pre-determined ratio to private investment on first-come, first-served basis

Venture Capital Program Outcomes

As of December 31, 2015, the SCCF expended $5.2 million or 76 percent of the $6.8 million SCCF allocation. The leverage ratio on expended SSBCI funds is 8.9 to 1. A total of 80 percent of SCCF capital has been expended in metropolitan regions. Businesses reported that SSBCI investments will help create or retain almost 540 jobs.

Table WV-5: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
30	$5.2 million	$0	$46.3 million	$1.54 million	8.9:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
538	4 FTEs	6 years	43%	20%	1. Manufacturing 2. Professional, Scientific, and Technical Services 3. Construction

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Recognizing the uniqueness of their model to transfer the financial interests in SSBCI investments to partner organizations, WVJIT program managers confirmed that this decision is helping to support the creation of regional micro funds in the absence of active venture capital funds or organized angel investor groups.
- SSBCI capital helped the state develop more organized angel investor groups and regional VDOs actively sourcing investments and providing co-investment capital.
- After a clean audit report from the Office of Inspector General, WVJIT leaders are hopeful that the results from SCCF will encourage state legislators to revisit renewed funding for seed/early stage equity funds in the near future.

Wisconsin

PROGRAM PORTFOLIO OVERVIEW[109]

Using $29.7 million in SSBCI allocation, Wisconsin operates the Wisconsin Equity Fund (WEF) to address gaps in the state's capabilities to support high-growth potential businesses at different stages of business development that include early-stage equity and growth-stage venture debt financing solutions.

The Wisconsin Department of Administration designated the Wisconsin Housing and Economic Development Authority (WHEDA) as the program manager after it performed an initial market demand and strategy response analysis soon after SSBCI federal funding opportunity first became available. The Department of Administration maintains responsibility for reporting, compliance and overall program administration.

WHEDA, a quasi-governmental entity established by the state legislature in 1973, manages the program. WHEDA used 94 percent of its SSBCI resources to support the Wisconsin Equity Fund, which capitalized two programs: the Wisconsin Equity Investment Fund (WEIF) capitalized with $8.5 million in SSBCI funding and the Wisconsin Venture Debt Fund (WVDF) capitalized with $12.5 in SSBCI funding. Treasury initially approved two credit support programs – the Wisconsin Capital Access Program (CAP) and the WHEDA Guarantee Program; however Wisconsin terminated the CAP in July 2013 and the funds allocated to the CAP were shifted to the venture capital program. The WHEDA Guarantee Program has not deployed any SSBCI funds as of December 2015.

Table WI-1: Wisconsin's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Wisconsin Equity Fund	Venture Capital	$21 million	Wisconsin Housing and Economic Development Authority (WHEDA)
WHEDA Guarantee	Loan Guarantee	$1.36 million	Wisconsin Housing and Economic Development Authority (WHEDA)

Program Outcomes

Wisconsin supported 59 investments that generated $160 million in total financing through December 31, 2015.

Table WI-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
59	$11.6 million	$0	$106.0 million	$1.8 million	9.2:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
1,277	8 FTEs	3 years	31%	7%	1. Manufacturing 2. Professional, Scientific, and Technical Services 3. Information

**Includes funds expended for administrative costs*

[109] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAM

Loan Guarantee Program

Wisconsin allocated $1.4 million of SSBCI funds to the existing WHEDA Loan Guarantee Program. The SSBCI funds constitute a 50 percent pro rata guarantee with WHEDA setting aside a cash reserve of 20 percent of the guaranteed portion of each loan. As of December 2015, Wisconsin had not enrolled any guarantees under the WHEDA Guarantee Program.

VENTURE CAPITAL PROGRAM

The WEIF is a fund of funds program designed to spur equity investments in early-stage Wisconsin businesses by contracting with private venture investors for managing deal sourcing and investment transactions. The WVDF is a venture debt financing program targeting growing businesses that create new, high-quality jobs in Wisconsin. These subordinate debt funds are invested by private, nonprofit economic development partners through contracts with WHEDA, and they are intended to complement early stage equity investments by allowing businesses to access capital for growth at predictable costs. WHEDA opted not to dictate the investment strategies for each program – investment stage, target industries, deal terms, co-investment partners. Instead, the investment strategies were determined by each contracted investment manager in response to a competitive process.

WHEDA selected four investment managers – an equity investment fund and three partners for venture debt (see Table WI-3).

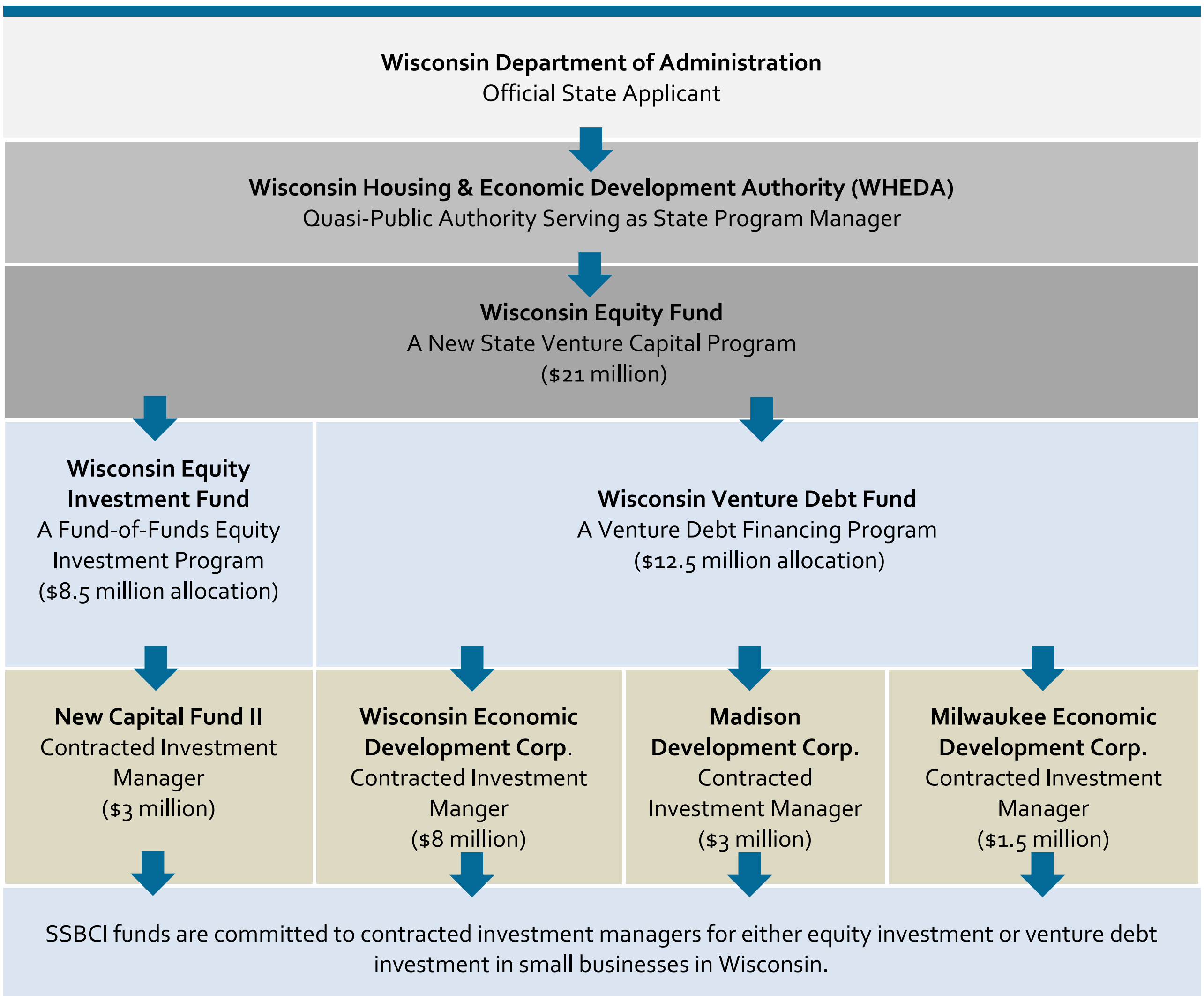
Table WI-3: Wisconsin Equity Fund Investor Portfolio

Wisconsin Equity Investment Fund			
Investment Fund Name	**Allocation ($ millions)**	**Investment Stage**	**Fund Characteristics**
New Capital Fund II	$3.0	Early	Sidecar to a fund targeting life sciences, material sciences and IT businesses
Wisconsin Venture Debt Fund			
Investment Fund Name	**Allocation ($ millions)**	**Investment Stage**	**Fund Characteristics**
Wisconsin Economic Development Corp.	$8.0	Early/Growth	Complements existing program portfolio
Madison Development Corp.	$3.0	Growth	Existing capabilities, Consortium of financial partners for private co-investment
Milwaukee Economic Development Corp.	$1.5	Growth	New program serving southeast Wisconsin

WEIF focuses on investing in early-stage life science, material science, and information technology investments. These investments are executed as priced equity rounds or convertible debt instruments. The SSBCI funds are invested into eligible Wisconsin-based small businesses through a set-aside (or “sidecar”) fund. The average SSBCI investment size was expected to be $250,000 with a leverage ratio of 4 to 1 at the time of financing. With only one contracted fund manager under the WEIF, WHEDA expects to contract with additional investment fund managers that might include participation by CDFI funds.

For the WVDF, three economic development partners were selected to manage SSBCI funds – two with regional footprints and one with statewide reach. The WVDF investments are structured as subordinate debt that might have a voluntary convertible feature to equity. Loans typically range from $100,000 to $500,000 with interest only or deferred payment features for the first 9-12 months. The Madison Development Corporation works with a financial consortium that often provides the private investment match to SSBCI funds. The Wisconsin Economic Development Corporation, the state's quasi-public economic development agency, operates other state capital programs that can also help to leverage private investment match. Each contracted partner manages a standardized checklist for requesting and receiving funds from WHEDA to support transactions.

Figure WI-4: Wisconsin Equity Fund Program Structure



Venture Capital Program Outcomes

WHEDA expended $11.3 million or 96 percent of its venture capital allocation through December 31, 2015. The SSBCI capital expended has generated $16 million in total financing or $12.2 in total capital for every $1 in SSBCI funds spent. Businesses reported that the SSBCI investments will help create or retain over 1,200 jobs. See Table WI-2 for additional venture capital program outcomes.

Lessons learned implementing the Wisconsin Equity Fund informed the review and design of complementary state-funded capital initiatives such as the Badger Fund.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- WHEDA saw limited demand for the Wisconsin's debt programs and greater demand for equity and venture debt programs.
- For the equity investment program, the amount of capital competitively available for management was not attractive to some private investment funds and the requirement of a sidecar fund structure was viewed as burdensome and an obstacle for limited partner acceptance.
- WHEDA committed $4 million to a second equity investment manager in the Milwaukee region. However, the contracted manager had difficulty disbursing funds on the agreed upon timeline, so WHEDA acted to de-obligate the funds and seek another equity investment partner to participate in the WEIF.

Wyoming-Laramie

PROGRAM PORTFOLIO OVERVIEW[110]

Using $13.1 million in SSBCI allocation, the Wyoming consortium of 17 municipalities led by the City of Laramie (the Laramie Consortium), operates two new programs: a collateral support program – the Credit Guarantee Program (CGP) and a venture capital program – the Seed Capital Network Program (SCNP).

The Laramie Consortium, which formed when the state of Wyoming opted not to apply, represents about half of the state's population. The City of Laramie contracted with Wyoming Smart Capital Network, LLC (WSCN) to manage the programs. WSCN also provides local staff support to market the CGP and SCNP to lenders and investors. WSCN is managed by Development Capital Networks, LLC (DCN) – a national firm that specializes in developing regional economic strategies and helping networks of investors build capital.

Table WY-1: Wyoming-Laramie's SSBCI Program Portfolio Summary

Program Name	Program Type	Allocation	Day-to-Day Administering Agency
Credit Guarantee Program	Collateral Support	$12.1 million	Wyoming Smart Capital Network, LLC
Seed Capital Network Program	Venture Capital	$1 million	Wyoming Smart Capital Network, LLC

Combined Program Outcomes

Wyoming's Laramie Consortium supported 64 loans and investments that generated almost $46 million in total financing through December 31, 2015.

Table WY-2: Overall Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
64	$11.3 million	$0	$45.9 million	$717,100	4.1:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
512	1.5 FTEs	2 years	17%	64%	1. Retail Trade 2. Mining, Quarrying, and Oil and Gas Extraction 3. Accommodation and Food Services

**Includes funds expended for administrative costs*

[110] *All data and program descriptions presented here are as of December 31, 2015.*

CREDIT SUPPORT PROGRAM

Collateral Support Program

The CGP provides collateral support in the form of a certificate of deposit for up to 50 percent of a loan and for as long as five years. The maximum support is $1 million, but WSCN has approved only two transactions near that limit. WSCN charges a fee of up to 2 percent of the loan amount (not the collateral amount) for the collateral support if it is required for the maximum five-year term and lower fees for lower levels of support and shorter terms.

WSCN reviews the lender's credit memo and reviews the loan for compliance with SSBCI eligibility rules enabling an approval within one week. Prior to closing the loan, WSCN also requests that an external accountant and attorney review each credit request to assess legal issues and regulatory compliance. The program has been used for a variety of purposes, but the CGP has proved most appealing in the financing of specialized equipment purchases, lines of credit, and land acquisition and facility construction/renovation. Community banks, especially those too small to develop the capacity to offer SBA loans, participated in the program. The lenders point to the availability of cash collateral provided to the bank and the ease of use as being the most significant benefits.

Credit Support Program Outcomes

Through December 31, 2015, the Laramie Consortium expended $10.8 million in SSBCI funds to support 53 loans. The loans have generated $45 million in total financing or $4.20 in total financing for every $1 in SSBCI funds spent. Businesses reported that the loans will help create or retain approximately 500 jobs.

Table WY-3: Credit Support Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
53	$10.8 million	$0	$45 million	$848,900	4.2:1
Jobs Created or Retained per Businesses	**Median Business Size**	**Median Business Age**	**Transactions in Low- and Moderate-Income Areas**	**Transactions in Non-Metro Areas**	**Top Industries Assisted**
509	2 FTEs	2 years	21%	77%	1. Retail Trade 2. Mining, Quarrying, and Oil and Gas Extraction 3. Accommodation and Foods Services

**Includes funds expended for administrative costs*

In addition to the measures typically required by Treasury, WSCN also monitors the number of minority- and women-owned businesses assisted, as well as projected future employment and wages being offered.

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Expedited application processing and approval process helps to build lender confidence in the program and ensure customer satisfaction.
- Other cities considered becoming part of the consortium at the time of application, but they did not have time or make a formal decision to do so. Since the initial grant was made to the Consortium of the 17 communities, Treasury would need to accept new communities and legal agreements would need to be modified and approved. Also, there is no financial incentive to add new members under the current SSBCI program structure.
- Building credibility with the lending community has helped enhance relationships with the state economic development agency (Wyoming Business Council) and the legislature, setting the stage for potential future outreach for state investment in the program.
- Marketing the program involved talking with bankers one-on-one at their banks and sharing (in a structured and visually stimulating way) examples that are relevant to their work. WSCN also conducted a webinar in 2014 to reinforce the message and has attended many banker conferences and meetings.
- Loan officers from larger banks must turn to central processing centers for approval to use the program and that has typically been a barrier for broader participation, especially in getting sign-off on certain statutorily required certifications.
- Geographic distribution, especially under the consortium city model of management, is important both from diversifying the portfolio but also in sustaining political support.
- A successful loan program, especially if it seeks to invest in targeted populations of need, must help borrowers build networks and connections to opportunities for growth and to potential sources of capital.
- In rural areas, small retail and local service businesses need access to capital, and they represent significant economic development priorities for local leaders.
- Developing a collateral support program in Wyoming that is able to sustain itself on fees and interest income will require serving a broader marketplace (i.e., the entire state) and a $23 to $30 million fund, double the current size of the CGP.
- With 17 co-applicant communities, each municipality originally had to sign any reports. Wyoming requested and Treasury approved a modification to the Allocation Agreement that provided a streamlined process in which for the Authorized Representative of the Lead City could sign off most documents on behalf of the Consortium Board.

VENTURE CAPITAL PROGRAM

The Laramie Consortium's SCNP is a $3 million commitment of the WSCN and DCN to invest in angel funds supporting investments in Wyoming small businesses. The consortium of 17 authorized municipalities, led by the City of Laramie, selected WSCN and DCN to manage the program that received an SSBCI allocation of $13.2 million. The stated goal of the SCNP is to build and support angel funds that support Wyoming businesses by partnering with organized angel groups having $2 million to $20 million in total commitments.

Venture Capital Program Design and Operations

The consortium selected WSCN and DCN based on a thorough review of their qualifications and strategy for organizing and co-investing with angel funds in Wyoming. DCN designed the program similar to another DCN-managed SSBCI-approved municipality program in the City of Carrington, North Dakota, where the intent is to first leverage program capital through the creation of the angel funds, and then achieve further leverage as the angel funds invest in small businesses.

The program allows DCN the flexibility to accept preferred, pari passu or subordinate terms to other investors. Targeted businesses are expected to have some degree of traction from self-financed operations or other capital sources in order to reduce the inherent investment risk typical of seed and early stage businesses, as the program managers perceive high importance to delivering a successful investing experience in order to encourage further participation.

Figure WY-4: SCNP Structure

Laramie, Wyoming Consortium of 17 Municipalities
State Authorized Applicant

Seed Capital Network Program
New State VC Program Operating as an Authorized Co-Investment Fund and Managed by the Wyoming Smart Capital Network and Development Capital Networks

SSBCI Funds Invested in Small Businesses in Wyoming

Venture Capital Program Outcomes

To date, WSCN has reviewed several investment opportunities and executed one investment in a company building compressed natural gas fueling stations in several consortium communities. WSCN attracted angel investors from Colorado, Missouri, and Oklahoma to support the project and made its investment through the iSelect Angel Fund. WSCN committed $500,000 towards a targeted $1.5 million investment round that closed June 12, 2015. WSCN has funded its commitment in 11 increments with a total of approximately $452,000 contributed through December 31, 2015. Despite this initial success, WSCN has not achieved the volume of participation it expected at the time the strategy was developed.

Table WY-5: Venture Capital Program Impacts, cumulative through December 31, 2015

Number of Transactions	SSBCI Funds Expended*	SSBCI Funds Recycled	Total Financing Generated by SSBCI Funds	Average Financing Size	Leverage Ratio
11	$470,000	$0	$903,700	$82,200	1.9:1

Jobs Created or Retained per Businesses	Median Business Size	Median Business Age	Transactions in Low- and Moderate-Income Areas	Transactions in Non-Metro Areas	Top Industries Assisted
3	0 FTEs	3 years	0%	0%	Retail Trade

**Includes funds expended for administrative costs*

Management Perspectives

The following section summarizes lessons learned and other observations as communicated by state program management:

- Program managers have learned that potential angel investors in Wyoming are open to co-investing through ad hoc networks, but disinclined to invest through angel funds.
- Due to the lack of fund opportunities, program managers have transferred the majority of the SCNP allocation to the $12.1 million credit guarantee program which has deployed more than 89 percent of its allocated funds as of December 31, 2015. The Laramie consortium's results are similar to other SSBCI venture

capital program experiments in states or regions with largely rural populations, very little venture capital investment activity, and large geographic distances between collaborating communities.

- WSCN operates as an evergreen fund and through time expects to return to making qualifying SCNP investments with recycled funds as opportunities are found.

Appendix 4: SSBCI Transaction Data Summaries

Program Evaluation of the U.S. Department of Treasury State Small Business Credit Initiative

Center for Regional Economic Competitiveness & Cromwell Schmisseur

OCTOBER 2016

SSBCI

APPENDIX 4:

SSBCI Transaction Data Summaries

This appendix 4 summarizes transaction data for the 152 Approved State[111] Programs funded by the State Small Business Credit Initiative (SSBCI). All transaction data presented are as of December 31, 2015.
Table A shows:

1. Participating State
2. Approved State Program
3. Program Type
4. Type of Administering Entity (Public, Quasi-Public, Private) or VCP Strategy (Funds, SSE, State Agency, Co-investment Model)
5. Allocation
6. SSBCI Funds Expended for Loans or Investments
7. SSBCI Funds Expended for Program Administration
8. Recycled[112] Funds Expended
9. Percent of SSBCI Funds Expended
10. Number of Transactions
11. Total Financing Leveraged
12. Leverage Ratio[113]
13. Estimated Number of Jobs to be Created[114]
14. Estimated Number of Jobs to be Retained[115]
15. Median Size of Business Supported (Full-Time Equivalents)
16. Median Age of Business Supported (Years)
17. Percent of Transactions in low- and moderate-income[116] (LMI) census tracts (by Number)
18. Percent of Transactions in LMI census tracts (by Principal Loan or Investment Amount)
19. Percent of Transactions in Non-Metro Areas (by Number)
20. Percent of Transactions in Non-Metro Areas (by Principal Loan or Investment Amount)

Tables 1 through 5 that follow Table A break out the data listed above by program type. Tables B through F present the following data on the typical transaction for each program type:

1. Participating State
2. Approved State Program
3. Number of Loans or Investments
4. Minimum Principal Loan or Investment Amount
5. Maximum Principal Loan or Investment Amount
6. Median Principal Loan or Investment Amount
7. Median Percent SSBCI Support per Loan or Investment
8. Median Size of Business Supported (FTEs)
9. Median Age of Business Supported (Years)
10. Median Revenue of Business Supported
11. Top Three Industries Assisted (by number of transactions)

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111 Treasury approved SSBCI applications from 47 states, the District of Columbia, five territories, and municipalities in three states (collectively referred to as "states").
112 "Recycled" funds refer to program income, interest earned, or principal repayments that states expend to support new transactions.
113 "Leverage Ratio" is the amount of new small business financing leveraged divided by the amount of SSBCI funds expended for loans or investments.
114 "Jobs Created" include the number of new Full-Time Equivalent (FTE) jobs that the business indicated it expects to create as a direct result of the transaction within two years of the closing.
115 "Jobs Retained" is the number of FTE jobs that the business indicated are at risk of loss without the support of the transaction.
116 Based on 2010 Census Bureau's 5-year American Community Survey. "Low income" households earn less than 50 percent of area median income. "Moderate income" households earn between 50 percent and 80 percent of area median income. These standards were set based on definition that HUD Community Planning and Development uses for low- and moderate-income households. (http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/library/glossary/l).

Table of Contents

A. ALL APPROVED STATE PROGRAMS, cumulative through December 31, 2015

#	Participating State	Approved State Program	Program Type	Type of Administering Entity (Public, Quasi-Public, Private) or VCP Strategy (Funds, SSE, State Agency, Co-investment Model)	Allocation	SSBCI Funds Expended for Loans or Investments	SSBCI Funds Expended for Program Administration	Recycled Funds Expended	Percent of SSBCI Funds Expended	# of Trans-actions	Total Financing Leveraged	*Leverage Ratio	Estimated # of Jobs to be Created	Estimated # of Jobs to be Retained	Median Size of Business Supported (FTEs)	Median Age of Business Supported (Years)	Percent of Transactions in LMI Areas (by #)	Percent of Transactions in LMI Areas (by $)	Percent of Transactions in Non-Metro Areas (by #)	Percent of Transactions in Non-Metro Areas (by $)
1	Alabama	Alabama CAP Program	CAP	Public Agency	$1,870,000	$9,873	$163,801	$0	9%	8	$197,451	20.00	17	23	3	2	13%	29%	25%	26%
2	Alabama	Alabama Loan Guarantee Program	Loan Guarantee	Public Agency	$27,561,498	$27,561,498	$0	$45,193,120	100%	387	$146,573,481	5.32	1,440	2,413	4	4	35%	33%	47%	30%
3	Alabama	Alabama Loan Participation Program	Loan Participation	Public Agency	$1,870,000	$838,575	$340,223	$0	63%	5	$5,735,750	6.84	16	48	11	7	20%	28%	0%	0%
	Alabama	Total			$31,301,498	$28,409,946	$504,024	$45,193,120	92%	400	$152,506,682	5.27	1,473	2,484	4	4	35%	33%	46%	29%
4	Alaska - Anchorage	49th State Venture Fund	Venture Capital	State Agency; Fund	$13,168,350	$862,250	$393,412	$0	10%	8	$5,614,500	6.51	36	6	5	1	25%	66%	0%	0%
	Alaska - Anchorage	Total			$13,168,350	$862,250	$393,412	$0	10%	8	$5,614,500	4.47	36	6	5	1	25%	66%	0%	0%
5	American Samoa	American Samoa Venture Fund	Venture Capital	SSE	$10,500,000	$0	$171,178	$0	2%	0	$0	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	American Samoa	Total			$10,500,000	$0	$171,178	$0	2%	0	$0	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6	Arizona	Arizona Expansion Fund	Loan Participation	Quasi-Public Agency	$18,204,217	$17,537,945	$666,273	$234,177	100%	52	$75,406,192	4.30	2,194	1,235	15	5	52%	40%	2%	4%
	Arizona	Total			$18,204,217	$17,537,945	$666,273	$234,177	100%	52	$75,406,192	4.14	2,194	1,235	15	5	52%	40%	2%	4%
7	Arkansas	Arkansas Capital Access Program	CAP	Quasi-Public Agency	$41,522	$31,438	$10,084	$7,902	100%	94	$1,109,148	35.28	102	208	2	2	37%	38%	22%	32%
8	Arkansas	Arkansas Development Finance Authority Co-investment Fund	Venture Capital	SSE	$3,595,156	$3,274,521	$113,364	$0	94%	13	$23,997,759	7.33	117	0	11	3	46%	67%	0%	0%
9	Arkansas	Bond Guaranty/ Loan Participation Program	Loan Participation	Quasi-Public Agency	$4,690,312	$4,577,211	$113,101	$76,789	100%	14	$67,044,000	14.65	459	59	5	2	21%	19%	57%	61%
10	Arkansas	Disadvantaged Business Enterprise/ Small Business Loan Guaranty Program	Loan Guarantee	Quasi-Public Agency	$720,071	$477,509	$15,303	$672,341	68%	11	$1,635,500	3.43	43	28	10	6	45%	48%	9%	2%
11	Arkansas	Risk Capital Matching Fund	Venture Capital	SSE	$1,297,352	$1,233,035	$30,419	$462,923	97%	13	$96,769,187	78.48	55	7	8	4	85%	90%	0%	0%
12	Arkansas	Seed and Angel Capital Network	Venture Capital	Fund	$2,823,937	$2,059,623	$101,510	$0	77%	94	$24,895,865	12.09	435	29	2	0	50%	55%	1%	0%
	Arkansas	Total			$13,168,350	$11,653,338	$383,780	$1,219,955	91%	239	$215,451,458	17.90	1,211	331	2	1	45%	43%	13%	32%
13	California	California Capital Access Program (CalCAP)	CAP	Public Agency	$19,574,379	$10,455,126	$1,702,525	$275,147	62%	6,592	$237,017,869	22.67	3,341	29,031	2	5	53%	47%	1%	1%
14	California	California Collateral Support Program (CalCSP)	Collateral Support	Public Agency	$64,700,000	$47,730,069	$168,221	$0	74%	113	$135,129,584	2.83	620	2,740	15	9	39%	33%	1%	0%
15	California	California Property Assessed Clean Energy Program (CalPACE)	Loan Participation	Public Agency	$0	$0	$0	$0	0%	0	$0	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
16	California	California Small Business Loan Guarantee Program	Loan Guarantee	Private Agency	$83,481,263	$49,326,387	$1,092,600	$10,383,428	60%	995	$421,429,141	8.54	6,785	27,820	10	6	38%	38%	2%	1%
	California	Total			$167,755,641	$107,511,582	$2,963,346	$10,658,575	66%	7,700	$793,576,594	7.18	10,746	59,591	2	5	51%	40%	1%	1%
17	Colorado	Colorado Capital Access Program	CAP	Quasi-Public Agency	$300,000	$12,166	$150,850	$0	54%	18	$603,283	49.59	18	0	2	1	100%	100%	100%	100%
18	Colorado	Colorado Cash Collateral Support Program	Collateral Support	Quasi-Public Agency	$16,933,489	$15,867,006	$264,000	$0	95%	157	$101,385,144	6.39	693	271	2	4	39%	37%	41%	23%
	Colorado	Total			$17,233,489	$15,879,172	$414,850	$0	95%	175	$101,988,428	6.26	711	271	2	4	45%	38%	47%	24%
19	Connecticut	Connecticut Capital Access Program (CT-CAP)	CAP	Quasi-Public Agency	$0	$179,215	$4,299	$0	0%	35	$5,812,671	32.43	57	435	5	3	23%	33%	6%	6%
20	Connecticut	Seed and Early Stage Investment Fund (SESIF)	Venture Capital	SSE	$13,301,126	$6,289,002	$2,163	$0	47%	10	$46,045,020	7.32	55	145	13	6	40%	31%	0%	0%
	Connecticut	Total			$13,301,126	$6,468,217	$6,462	$0	49%	45	$51,857,691	8.01	112	580	6	5	27%	32%	4%	1%
21	Delaware	Delaware Access Program	CAP	Public Agency	$1,000,000	$152,805	$0	$0	15%	78	$4,598,897	30.10	236	433	3	4	23%	26%	23%	18%
22	Delaware	DSF Participation and Loan Program	Loan Participation	Public Agency	$12,168,350	$8,221,025	$0	$0	68%	32	$54,506,676	6.63	272	522	5	3	47%	16%	31%	66%

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	Delaware	Total			$13,168,350	$8,373,830	$0	$0	64%	110	$59,105,572	7.06	508	955	3	3	30%	17%	25%	61%
23	District of Columbia	DC Collateral Support Program	Collateral Support	Public Agency	$5,802,021	$5,653,198	$146,973	$0	100%	21	$13,388,500	2.37	127	509	9	8	43%	61%	0%	0%
24	District of Columbia	DC Loan Participation Program	Loan Participation	Public Agency	$4,366,329	$0	$0	$0	0%	0	$0	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
25	District of Columbia	Innovation Finance Program	Venture Capital	Co-investment Model	$3,000,000	$50,000	$108	$0	2%	1	$160,000	3.20	0	8	8	1	100%	100%	0%	0%
	District of Columbia	Total			$13,168,350	$5,703,198	$147,080	$0	44%	22	$13,548,500	2.32	127	517	9	8	45%	61%	0%	0%
26	Florida	Direct Loan Program	Loan Participation	Private Agency	$100,000	$0	$0	$0	0%	0	$0	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
27	Florida	Florida Capital Access Program	CAP	Public Agency	$2,000,000	$24,040	$318,622	$0	17%	60	$962,115	40.02	45	173	2	3	30%	21%	0%	0%
28	Florida	Florida Export Support Program	Loan Guarantee	Private Agency	$5,000,000	$1,641,500	$136,631	$0	36%	7	$7,600,000	4.63	20	63	5	4	14%	14%	0%	0%
29	Florida	Florida Venture Capital Program	Venture Capital	Fund	$43,500,000	$20,971,851	$657,059	$0	50%	44	$113,443,944	5.41	652	476	13	5	61%	47%	0%	0%
30	Florida	Loan Guarantee Program	Loan Guarantee	Private Agency	$15,000,000	$13,806,213	$398,727	$5,672,676	95%	39	$67,543,395	4.89	1,215	224	21	10	36%	42%	5%	2%
31	Florida	Loan Participation Program	Loan Participation	Private Agency	$32,062,349	$31,583,935	$478,414	$7,002,344	100%	52	$108,556,823	3.44	734	56	4	3	29%	28%	8%	13%
	Florida	Total			$97,662,349	$68,027,539	$1,989,454	$12,675,020	72%	202	$298,106,277	4.26	2,666	992	5	4	37%	38%	3%	5%
32	Georgia	Georgia Capital Access Program	CAP	Public Agency	$2,000,000	$0	$0	$0	0%	0	$0	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
33	Georgia	Georgia Funding for CDFIs	Loan Participation	Private Agency	$20,000,000	$19,500,647	$499,353	$450,000	100%	73	$113,779,199	5.83	701	340	6	4	48%	44%	26%	18%
34	Georgia	Georgia Loan Participation Program	Loan Participation	Public Agency	$8,000,000	$4,308,622	$440,926	$0	59%	15	$36,469,632	8.46	211	85	7	4	67%	43%	20%	24%
35	Georgia	Georgia Small Business Credit Guarantee Program	Loan Guarantee	Private Agency	$17,808,507	$7,664,400	$703,466	$30,000	47%	283	$53,050,800	6.92	871	959	4	5	28%	27%	6%	6%
	Georgia	Total			$47,808,507	$31,473,669	$1,643,745	$480,000	69%	371	$203,299,631	6.14	1,783	1,384	4	5	33%	39%	10%	16%
36	Guam	Guam Capital Access Program	CAP	Quasi-Public Agency	$658,417	$0	$14,223	$0	2%	0	$0	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37	Guam	Guam Credit Guarantee Program	Loan Guarantee	Quasi-Public Agency	$9,876,262	$5,303,885	$445,840	$0	58%	41	$9,978,996	1.88	520	265	3	1	32%	56%	93%	98%
38	Guam	Guam Loan Participation Program	Loan Participation	Quasi-Public Agency	$2,633,671	$0	$0	$0	0%	0	$0	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Guam	Total			$13,168,350	$5,303,885	$460,063	$0	44%	41	$9,978,996	1.73	520	265	3	1	32%	56%	93%	98%
39	Hawaii	HSDC Venture Capital Investment Program	Venture Capital	Fund	$13,168,350	$3,193,451	$204,642	$0	26%	77	$74,099,511	23.20	148	184	3	0	23%	26%	13%	2%
	Hawaii	Total			$13,168,350	$3,193,451	$204,642	$0	26%	77	$74,099,511	21.81	148	184	3	0	23%	26%	13%	2%
40	Idaho	Collateral Support Program	Collateral Support	Quasi-Public Agency	$13,136,544	$12,655,537	$481,006	$7,179,508	100%	253	$163,944,897	12.95	852	1,658	8	6	24%	26%	30%	25%
	Idaho	Total			$13,136,544	$12,655,537	$481,006	$7,179,508	100%	253	$163,944,897	12.48	852	1,658	8	6	24%	26%	30%	25%
41	Illinois	Capital Access Program	CAP	Public Agency	$50,000	$20,470	$0	$0	41%	12	$644,898	31.50	54	47	2	6	17%	12%	0%	0%
42	Illinois	Collateral Support Program	Collateral Support	Public Agency	$1,622,500	$1,622,500	$0	$0	100%	5	$16,626,215	10.25	113	50	35	7	0%	0%	20%	80%
43	Illinois	Conditional Direct Loan Program	Loan Participation	Public Agency	$500,000	$500,000	$0	$0	100%	1	$3,698,573	7.40	35	0	0	10	100%	100%	0%	0%
44	Illinois	Participation Loan Program	Loan Participation	Public Agency	$70,141,764	$48,621,032	$2,889,283	$1,500,000	73%	166	$394,392,418	8.11	1,883	1,064	13	7	38%	42%	16%	12%
45	Illinois	Venture Capital Program	Venture Capital	Public Agency	$6,051,000	$6,051,000	$0	$0	100%	24	$87,525,502	14.46	392	176	4	3	17%	15%	0%	0%
	Illinois	Total			$78,365,264	$56,815,002	$2,889,283	$1,500,000	76%	208	$502,887,606	8.42	2,477	1,337	10	6	34%	35%	13%	14%
46	Indiana	Indiana Capital Access Program	CAP	Quasi-Public Agency	$1,500,000	$319,438	$0	$0	21%	125	$8,190,054	25.64	160	282	3	4	33%	21%	8%	7%
47	Indiana	State Venture Capital Program	Venture Capital	Co-investment Model; SSE	$32,839,074	$14,620,665	$603,108	$0	46%	77	$46,578,371	3.19	431	317	6	3	29%	15%	5%	8%
	Indiana	Total			$34,339,074	$14,940,103	$603,108	$0	45%	202	$54,768,425	3.52	591	599	5	4	31%	16%	7%	8%

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48	Iowa	Iowa Capital Access Program	CAP	Private Agency	$9,624	$9,624	$32,846	$0	441%	3	$215,563	22.40	5	1	1	20	0%	0%	100%	100%
49	Iowa	Iowa Demonstration Fund Program	Venture Capital	State Agency	$13,025,065	$7,500,000	$153,809	$0	59%	23	$43,834,800	5.84	273	167	7	4	13%	12%	4%	3%
50	Iowa	Iowa Small Business Loan Program	Loan Participation	Private Agency	$30,331	$31,455	$74	$0	104%	14	$416,400	13.24	13	15	1	0	50%	57%	14%	17%
	Iowa	Total			$13,065,020	$7,541,080	$186,729	$0	59%	40	$44,466,763	5.75	291	183	3	2	25%	13%	15%	5%
51	Kansas	Kansas Capital Multiplier Loan Fund	Loan Participation	Quasi-Public Agency	$9,217,845	$8,621,551	$196,530	$314,481	96%	58	$152,057,853	17.64	569	418	8	3	41%	47%	43%	54%
52	Kansas	Kansas Capital Multiplier Venture Fund	Venture Capital	Co-investment Model	$3,950,505	$3,484,235	$106,191	$0	91%	23	$58,231,485	16.71	572	85	5	2	30%	37%	22%	19%
	Kansas	Total			$13,168,350	$12,105,786	$302,722	$314,481	94%	81	$210,289,338	16.95	1,141	503	7	3	38%	44%	37%	44%
53	Kentucky	Kentucky Capital Access Program	CAP	Public Agency	$115,602	$3,102	$2,202	$0	5%	2	$105,306	33.95	15	2	28	10	50%	62%	0%	0%
54	Kentucky	Kentucky Collateral Support Program	Collateral Support	Public Agency	$10,921,196	$9,510,750	$82,457	$0	88%	111	$76,443,342	8.04	803	804	5	4	43%	50%	46%	37%
55	Kentucky	Kentucky Loan Participation Program	Loan Participation	Public Agency	$1,000,000	$271,029	$5,971	$0	28%	4	$6,195,147	22.86	4	16	6	3	25%	25%	100%	100%
56	Kentucky	Kentucky Venture Capital Program	Venture Capital	SSE	$3,451,200	$0	$0	$0	0%	0	$0	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Kentucky	Total			$15,487,998	$9,784,882	$90,630	$0	64%	117	$82,743,795	8.38	822	822	5	4	43%	50%	47%	39%
57	Louisiana	Louisiana Seed Capital Program	Venture Capital	Fund	$4,775,767	$1,255,000	$49,967	$0	27%	25	$15,851,084	12.63	27	133	3	2	8%	4%	0%	0%
58	Louisiana	Small Business Loan Guarantee	Loan Guarantee	Public Agency	$7,590,291	$3,700,184	$106,063	$0	50%	36	$22,927,483	6.20	327	341	6	2	22%	30%	14%	24%
	Louisiana	Total			$12,366,058	$4,955,184	$156,030	$0	41%	61	$38,778,567	7.59	354	474	4	2	16%	19%	8%	14%
59	Maine	Economic Recovery Loan Fund	Loan Participation	Quasi-Public Agency	$1,851,515	$1,130,521	$40,908	$0	63%	5	$12,327,011	10.90	18	119	14	8	20%	58%	20%	14%
60	Maine	Regional Economic Development Revolving Loan	Loan Participation	Quasi-Public Agency	$7,000,000	$1,874,200	$57,412	$0	28%	20	$17,057,417	9.10	143	124	4	4	35%	23%	15%	8%
61	Maine	Small Enterprise Growth Fund	Venture Capital	SSE	$4,316,835	$2,537,812	$95,832	$0	61%	18	$15,157,728	5.97	129	315	19	4	22%	33%	6%	1%
	Maine	Total			$13,168,350	$5,542,533	$194,153	$0	44%	43	$44,542,156	7.76	290	558	10	4	28%	36%	12%	8%
62	Maryland	DHCD - Neighborhood Business Works Program	Loan Participation	Public Agency	$1,500,000	$495,000	$57,574	$0	37%	1	$2,110,000	4.26	25	2	2	3	0%	0%	0%	0%
63	Maryland	Maryland Venture Fund IV	Venture Capital	SSE	$19,212,931	$8,064,083	$180,175	$0	43%	22	$263,588,815	32.69	585	628	19	5	32%	35%	0%	0%
64	Maryland	MIDFA	Loan Guarantee	Public Agency	$827,778	$724,164	$70,387	$0	96%	7	$11,671,500	16.12	93	234	9	10	43%	90%	0%	0%
65	Maryland	MSBDFA Loan Guaranty	Loan Guarantee	Public Agency	$1,485,000	$234,600	$12,364	$0	17%	12	$2,090,000	8.91	73	83	1	5	25%	36%	0%	0%
	Maryland	Total			$23,025,709	$9,517,847	$320,500	$0	43%	42	$279,460,315	28.41	776	947	15	6	31%	39%	0%	0%
66	Massachusetts	Capital Access Program	CAP	Public Agency	$1,500,000	$995,100	$185,930	$0	79%	693	$31,022,272	31.18	572	3,997	3	5	25%	24%	3%	4%
67	Massachusetts	MBDC Loan Participation	Loan Participation	Private Agency	$5,013,000	$4,719,600	$13,348	$444,900	94%	14	$54,478,000	11.54	57	794	35	23	21%	24%	7%	2%
68	Massachusetts	MGCC Loan Participation	Loan Participation	Quasi-Public Agency	$13,932,072	$10,793,305	$0	$1,616,770	77%	69	$24,820,150	2.30	452	2,850	22	18	29%	31%	1%	3%
	Massachusetts	Total			$20,445,072	$16,508,005	$199,278	$2,061,670	82%	776	$110,320,422	6.60	1,081	7,641	4	6	26%	26%	3%	3%
69	Michigan	Capital Access Program	CAP	Quasi-Public Agency	$2,200,000	$1,368,637	$0	$0	62%	693	$70,801,338	51.73	1,067	3,620	3	5	31%	27%	42%	35%
70	Michigan	Michigan Business Growth Fund/ Collateral Support	Collateral Support	Quasi-Public Agency	$43,808,853	$43,808,853	$0	$12,519,077	100%	83	$292,274,445	6.67	3,472	472	29	13	34%	38%	23%	19%
71	Michigan	Michigan Business Growth Fund/ Loan Participations	Loan Participation	Quasi-Public Agency	$25,148,889	$24,796,758	$873,823	$3,444,775	102%	33	$99,242,700	4.00	1,180	133	16	15	61%	75%	61%	73%
72	Michigan	Michigan Loan Guarantee Program	Loan Guarantee	Quasi-Public Agency	$2,000,000	$86,050	$35,578	$0	6%	6	$1,280,000	14.88	33	0	6	4	50%	30%	0%	0%
73	Michigan	Small Business Mezzanine Fund	Venture Capital	Fund	$6,000,000	$1,875,767	$936,633	$0	47%	6	$13,015,000	6.94	107	0	21	4	33%	52%	0%	0%
	Michigan	Total			$79,157,742	$71,936,065	$1,846,035	$15,963,852	93%	821	$476,613,483	6.46	5,859	4,225	4	5	32%	45%	40%	32%

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74	Minnesota	Angel Loan Fund	Venture Capital	Co-investment Model	$6,700,000	$2,800,300	$92,050	$0	43%	17	$33,409,757	11.93	142	171	4	4	35%	36%	0%	0%
75	Minnesota	Capital Access Program	CAP	Public Agency	$500,000	$335,831	$19,973	$0	71%	71	$23,457,070	69.85	291	584	3	6	51%	59%	20%	42%
76	Minnesota	Emerging Entrepreneurs Fund	Loan Participation	Public Agency	$6,792,967	$5,707,013	$204,026	$0	87%	130	$64,110,641	11.23	561	1,271	2	3	48%	42%	18%	32%
77	Minnesota	General Loan Guarantee Program	Loan Guarantee	Public Agency	$1,470,215	$1,397,115	$53,031	$0	99%	9	$39,703,319	28.42	121	182	22	2	67%	63%	44%	53%
	Minnesota	Total			$15,463,182	$10,240,259	$369,079	$0	69%	227	$160,680,788	15.15	1,115	2,208	2	4	48%	41%	19%	13%
78	Mississippi	Small Business Loan Guaranty Program	Loan Guarantee	Public Agency	$13,168,350	$11,329,406	$2,489	$0	86%	116	$83,142,581	7.34	794	212	2	1	28%	26%	48%	62%
	Mississippi	Total			$13,168,350	$11,329,406	$2,489	$0	86%	116	$83,142,581	7.34	794	212	2	1	28%	26%	48%	62%
79	Missouri	Grow Missouri Loan Fund	Loan Participation	Quasi-Public Agency	$2,904,353	$2,094,293	$33,201	$0	73%	3	$16,960,711	8.10	31	111	22	10	33%	45%	0%	0%
80	Missouri	Missouri IDEA Fund	Venture Capital	SSE	$24,025,941	$20,030,895	$807,375	$225,000	87%	84	$288,651,850	14.41	1,129	225	2	3	45%	50%	2%	1%
	Missouri	Total			$26,930,294	$22,125,188	$840,576	$225,000	85%	87	$305,612,560	13.31	1,160	336	2	3	45%	49%	2%	1%
81	Montana	Loan Participation Program	Loan Participation	Public Agency	$12,765,037	$11,935,203	$351,804	$0	96%	48	$120,197,791	10.07	824	185	10	11	27%	24%	54%	47%
	Montana	Total			$12,765,037	$11,935,203	$351,804	$0	96%	48	$120,197,791	9.78	824	185	10	11	27%	24%	54%	47%
82	Nebraska	Nebraska Progress Loan Fund	Loan Participation	Public Agency	$9,240,980	$7,563,156	$289,445	$0	85%	18	$51,667,537	6.83	265	6	3	2	17%	9%	78%	93%
83	Nebraska	Nebraska Progress Seed Fund	Venture Capital	SSE	$3,927,370	$2,171,500	$60,881	$0	57%	28	$14,130,891	6.51	28	50	3	0	54%	51%	14%	26%
	Nebraska	Total			$13,168,350	$9,734,656	$350,326	$0	77%	46	$65,798,428	6.52	293	56	3	0	39%	21%	39%	74%
84	Nevada	Battle Born Growth Escalator (BBGE)	Venture Capital	SSE	$5,000,000	$1,600,000	$118,794	$0	34%	5	$8,160,000	5.10	194	82	8	2	60%	72%	0%	0%
85	Nevada	Nevada Collateral Support Program	Collateral Support	Public Agency	$8,303,176	$5,609,035	$186,914	$0	70%	14	$22,044,495	3.93	252	209	10	5	43%	20%	7%	28%
86	Nevada	Nevada Microenterprise Initiative	Loan Participation	Public Agency	$500,000	$100,000	$6,840	$0	21%	1	$200,000	2.00	23	10	2	17	0%	0%	0%	0%
	Nevada	Total			$13,803,176	$7,309,035	$312,548	$0	55%	20	$30,404,495	3.99	469	301	8	4	45%	36%	5%	19%
87	New Hampshire	Aid to Local Development Organizations	Loan Participation	Quasi-Public Agency	$4,178,400	$4,177,400	$200	$0	100%	17	$27,757,087	6.64	208	977	21	4	18%	5%	6%	0%
88	New Hampshire	Capital Access Program	CAP	Quasi-Public Agency	$454,895	$454,887	$0	$0	100%	300	$14,169,520	31.15	242	1,672	2	6	38%	28%	60%	48%
89	New Hampshire	Collateral Shortfall Program	Collateral Support	Quasi-Public Agency	$2,594,851	$2,594,851	$0	$0	100%	7	$31,380,195	12.09	92	320	50	31	0%	0%	29%	38%
90	New Hampshire	Loan Guarantee Reserves	Loan Guarantee	Quasi-Public Agency	$2,813,821	$2,813,820	$0	$0	100%	8	$40,995,807	14.57	31	769	31	20	13%	2%	38%	34%
91	New Hampshire	Venture Capital Fund	Venture Capital	Fund	$3,126,383	$1,922,822	$50,800	$0	63%	14	$57,610,806	29.96	162	270	10	2	57%	64%	43%	36%
	New Hampshire	Total			$13,168,350	$11,963,779	$51,000	$0	91%	346	$171,913,415	14.31	735	4,008	3	6	36%	28%	55%	32%
92	New Jersey	New Jersey Credit Guarantee Program	Loan Guarantee	Quasi-Public Agency	$3,450,000	$2,227,500	$0	$0	65%	7	$4,455,000	2.00	49	49	7	20	0%	0%	0%	0%
93	New Jersey	New Jersey Direct Loan Program	Loan Participation	Quasi-Public Agency	$9,260,698	$4,750,000	$0	$0	51%	5	$16,799,000	3.54	73	25	14	5	20%	36%	0%	0%
94	New Jersey	New Jersey Loan Participation Program	Loan Participation	Quasi-Public Agency	$14,250,000	$7,391,900	$0	$0	52%	16	$26,577,044	3.60	105	309	19	13	38%	33%	0%	0%
95	New Jersey	New Jersey Venture Capital Fund Program	Venture Capital	Fund	$6,800,000	$5,367,518	$0	$0	79%	39	$58,774,027	10.95	564	218	22	2	8%	11%	0%	0%
	New Jersey	Total			$33,760,698	$19,736,918	$0	$0	58%	67	$106,605,071	5.40	791	601	17	3	15%	26%	0%	0%
96	New Mexico	New Mexico Loan Participation Program	Loan Participation	Public Agency	$13,168,350	$6,926,459	$262,284	$0	55%	16	$45,314,930	6.54	194	13	8	7	38%	36%	13%	18%
	New Mexico	Total			$13,168,350	$6,926,459	$262,284	$0	55%	16	$45,314,930	6.30	194	13	8	7	38%	36%	13%	18%
97	New York	Bonding Guarantee Assistance Program	Loan Guarantee	Public Agency	$10,405,173	$4,345,000	$226,995	$0	44%	14	$23,350,000	5.37	0	0	7	11	36%	39%	0%	0%
98	New York	Innovate New York Fund	Venture Capital	Fund	$37,022,791	$28,478,636	$438,386	$0	78%	149	$276,857,922	9.72	786	899	5	3	19%	33%	6%	2%

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99	New York	New York Capital Access Program	CAP	Public Agency	$7,923,570	$1,751,431	$178,515	$0	24%	944	$33,421,217	19.08	1,372	2,812	2	3	62%	47%	0%	2%
	New York	Total			$55,351,534	$34,575,067	$843,896	$0	64%	1,107	$333,629,139	9.42	2,158	3,711	2	3	56%	35%	1%	2%
100	North Carolina	North Carolina Capital Access Program	CAP	Private Agency	$1,761,319	$690,269	$1,071,050	$19,505	100%	338	$32,849,621	47.59	1,017	2,721	4	4	14%	10%	8%	8%
101	North Carolina	North Carolina Loan Participation Program	Loan Participation	Private Agency	$34,000,000	$33,677,752	$291,396	$2,328,664	100%	229	$264,132,398	7.84	1,410	3,685	9	7	16%	17%	24%	18%
102	North Carolina	North Carolina Venture Capital Fund-of-Funds Program	Venture Capital	Fund	$10,300,000	$7,966,378	$323,398	$0	80%	75	$266,324,292	33.43	350	716	4	4	29%	32%	3%	3%
	North Carolina	Total			$46,061,319	$42,334,399	$1,685,844	$2,348,169	96%	642	$563,306,310	12.80	2,777	7,121	5	5	17%	22%	13%	12%
103	North Dakota - Carrington	Credit Guarantee Program	Collateral Support	Private Agency	$3,251,445	$2,535,000	$114,565	$300,000	81%	17	$6,372,711	2.51	31	70	3	2	6%	6%	82%	82%
104	North Dakota - Carrington	Seed Capital Network Program	Venture Capital	Fund	$182,264	$125,000	$11,109	$0	75%	1	$850,000	6.80	4	2	1	6	0%	0%	100%	100%
	North Dakota - Carrington	Total			$3,433,709	$2,660,000	$125,674	$300,000	81%	18	$7,222,711	2.59	35	72	3	3	6%	5%	83%	84%
105	North Dakota - Mandan	Loan Participation Program	Loan Participation	Private Agency	$9,734,641	$9,495,593	$239,048	$2,358,861	100%	39	$71,738,273	7.55	405	159	10	1	36%	23%	33%	18%
	North Dakota - Mandan	Total			$9,734,641	$9,495,593	$239,048	$2,358,861	100%	39	$71,738,273	7.37	405	159	10	1	36%	23%	33%	18%
106	Northern Mariana Islands	CNMI Collateral Support Program	Collateral Support	Public Agency	$8,553,157	$2,380,221	$106,462	$0	29%	17	$4,642,000	1.95	135	295	12	7	0%	0%	82%	84%
107	Northern Mariana Islands	CNMI Loan Purchase Participation Program	Loan Participation	Public Agency	$4,615,193	$410,268	$32,951	$0	10%	5	$1,025,671	2.50	26	18	4	1	0%	0%	80%	71%
	Northern Mariana Islands	Total			$13,168,350	$2,790,489	$139,413	$0	22%	22	$5,667,671	1.93	161	313	8	6	0%	0%	82%	81%
108	Ohio	Ohio Capital Access Program	CAP	Public Agency	$525,000	$518,088	$0	$0	99%	252	$14,176,384	27.36	1,135	1,785	4	5	22%	24%	13%	13%
109	Ohio	Small Business Collateral Enhancement	Collateral Support	Public Agency	$46,163,373	$29,659,014	$1,004,374	$0	66%	240	$116,733,526	3.94	1,972	2,808	6	6	32%	24%	14%	12%
110	Ohio	Targeted Investment Program	Venture Capital	State Agency	$8,450,000	$7,593,725	$189,684	$0	92%	7	$17,288,449	2.28	118	78	11	5	57%	63%	14%	7%
	Ohio	Total			$55,138,373	$37,770,828	$1,194,058	$0	71%	499	$148,198,359	3.80	3,225	4,671	4	5	27%	28%	14%	12%
111	Oklahoma	Accelerate Oklahoma Fund	Venture Capital	SSE	$13,168,350	$10,780,090	$175,965	$0	83%	45	$73,983,938	6.86	502	53	3	3	82%	74%	7%	5%
	Oklahoma	Total			$13,168,350	$10,780,090	$175,965	$0	83%	45	$73,983,938	6.75	502	53	3	3	82%	74%	7%	5%
112	Oregon	Capital Access Program	CAP	Public Agency	$166,197	$149,781	$16,416	$0	100%	89	$12,129,379	80.98	196	461	4	3	26%	20%	10%	3%
113	Oregon	Credit Enhancement Fund	Loan Guarantee	Public Agency	$12,850,000	$12,727,207	$122,793	$0	100%	136	$119,956,193	9.43	465	224	9	8	40%	38%	31%	28%
114	Oregon	Oregon Business Development Fund	Loan Participation	Public Agency	$3,500,000	$2,948,750	$378,461	$0	95%	11	$20,637,492	7.00	142	18	15	2	45%	68%	18%	28%
	Oregon	Total			$16,516,197	$15,825,738	$517,670	$0	99%	236	$152,723,064	9.34	803	703	7	5	35%	41%	22%	26%
115	Pennsylvania	Ben Franklin Technology Partners and Life Sciences Greenhouse Partners	Venture Capital	SSE	$5,000,000	$2,964,666	$82,165	$20,000	61%	34	$105,580,661	35.61	163	182	3	4	32%	23%	9%	21%
116	Pennsylvania	Machinery and Equipment Loan Fund	Loan Participation	Public Agency	$9,000,000	$3,413,000	$20,652	$0	38%	2	$6,993,734	2.05	0	193	97	64	50%	20%	0%	0%
117	Pennsylvania	Pennsylvania Community Development Bank Program	Loan Participation	Private Agency	$6,512,500	$3,850,321	$81,474	$596,981	60%	89	$34,943,925	9.08	349	351	1	1	55%	47%	13%	10%
118	Pennsylvania	Pennsylvania Economic Development Finance Authority Program	Loan Participation	Public Agency	$8,728,732	$5,186,719	$81,989	$61,500	60%	31	$60,530,476	11.67	510	1,168	12	6	26%	16%	19%	6%
	Pennsylvania	Total			$29,241,232	$15,414,706	$266,280	$678,481	54%	156	$208,048,795	13.27	1,022	1,894	2	3	44%	25%	13%	10%
119	Puerto Rico	Loan Participation	Loan Participation	Quasi-Public Agency	$13,540,057	$13,540,057	$0	$4,320,559	100%	23	$36,941,572	2.73	624	1,638	25	9	30%	15%	13%	11%
120	Puerto Rico	Venture Capital	Venture Capital	SSE	$1,000,000	$1,000,000	$0	$0	100%	1	$9,050,000	9.05	300	101	101	1	0%	0%	0%	0%

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	Puerto Rico	Total			$14,540,057	$14,540,057	$0	$4,320,559	100%	24	$45,991,572	3.16	924	1,739	27	9	29%	12%	13%	8%
121	Rhode Island	Betaspring	Venture Capital	Fund	$2,000,000	$1,869,284	$46,980	$0	96%	54	$16,300,371	8.72	18	108	2	0	83%	84%	0%	0%
122	Rhode Island	Slater Technology Fund	Venture Capital	SSE	$9,000,000	$2,852,940	$116,384	$0	33%	14	$74,408,928	26.08	19	76	4	4	43%	24%	0%	0%
123	Rhode Island	Small Business Loan Fund	Loan Participation	Quasi-Public Agency	$2,168,350	$450,000	$56,858	$0	23%	3	$5,030,000	11.18	5	70	9	9	0%	0%	0%	0%
	Rhode Island	Total			$13,168,350	$5,172,224	$220,222	$0	41%	71	$95,739,299	17.75	42	254	2	0	72%	26%	0%	0%
124	South Carolina	South Carolina Capital Access Program	CAP	Private Agency	$130,716	$130,716	$0	$0	100%	44	$6,717,112	51.39	82	686	16	6	25%	27%	11%	14%
125	South Carolina	South Carolina Loan Participation Program	Loan Participation	Private Agency	$17,859,699	$17,688,976	$0	$6,852,200	99%	127	$136,018,021	7.69	432	1,692	10	8	20%	17%	16%	14%
	South Carolina	Total			$17,990,415	$17,819,692	$0	$6,852,200	99%	171	$142,735,133	8.01	514	2,378	11	7	21%	17%	15%	14%
126	South Dakota	South Dakota Works Loan Program	Loan Participation	Public Agency	$13,168,350	$7,863,045	$166,851	$0	61%	16	$65,004,557	8.27	401	305	47	7	50%	58%	13%	13%
	South Dakota	Total			$13,168,350	$7,863,045	$166,851	$0	61%	16	$65,004,557	8.10	401	305	47	7	50%	58%	13%	13%
127	Tennessee	INCITE Fund	Venture Capital	Co-investment	$29,672,070	$27,884,688	$969,368	$0	97%	83	$147,279,309	5.28	338	1,121	7	3	40%	35%	13%	12%
	Tennessee	Total			$29,672,070	$27,884,688	$969,368	$0	97%	83	$147,279,309	5.10	338	1,121	7	3	40%	35%	13%	12%
128	Texas	Jobs for Texas-Venture Capital	Venture Capital	Fund	$46,553,879	$37,224,566	$1,336,501	$0	83%	42	$461,195,024	12.39	594	579	9	6	24%	31%	2%	2%
	Texas	Total			$46,553,879	$37,224,566	$1,336,501	$0	83%	42	$461,195,024	11.96	594	579	9	6	24%	31%	2%	2%
129	U.S. Virgin Islands	Collateral Support	Collateral Support	Public Agency	$3,770,387	$833,825	$88,029	$0	24%	12	$2,527,390	3.03	46	104	4	2	8%	4%	100%	100%
130	U.S. Virgin Islands	Loan Guarantees	Loan Guarantee	Public Agency	$6,925,551	$3,253,300	$130,959	$0	49%	14	$9,487,000	2.92	65	217	12	4	14%	9%	100%	100%
131	U.S. Virgin Islands	Payment, Surety, and Performance Bonding Program	Loan Guarantee	Public Agency	$2,472,413	$0	$0	$0	0%	0	$0	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	U.S. Virgin Islands	Total			$13,168,350	$4,087,125	$218,987	$0	33%	26	$12,014,390	2.79	111	321	7	2	12%	8%	100%	100%
132	Utah	Equity Investment Program	Venture Capital	Fund	$1,394,989	$950,001	$50,844	$0	72%	4	$8,737,570	9.20	11	12	17	2	25%	65%	0%	0%
133	Utah	Utah Small Business Loan Guarantee Program	Loan Guarantee	Private Agency	$5,348,171	$5,181,789	$185,527	$0	100%	26	$30,830,340	5.95	249	1,268	15	8	38%	21%	15%	1%
134	Utah	Utah Small Business Loan Participation Program	Loan Participation	Private Agency	$6,425,190	$1,032,000	$228,160	$0	20%	4	$7,430,000	7.20	49	81	15	9	50%	17%	0%	0%
	Utah	Total			$13,168,350	$7,163,790	$464,531	$0	58%	34	$46,997,910	6.16	308	1,361	15	7	38%	29%	12%	0%
135	Vermont	Commercial Participation Program	Loan Participation	Quasi-Public Agency	$7,818,618	$7,818,616	$0	$3,020,940	100%	60	$108,631,031	13.89	1,044	201	32	17	13%	37%	58%	57%
136	Vermont	Small Business Participation Program	Loan Participation	Quasi-Public Agency	$5,349,732	$5,349,734	$0	$0	100%	105	$53,086,880	9.92	558	12	4	9	13%	11%	70%	67%
	Vermont	Total			$13,168,350	$13,168,351	$0	$3,020,940	100%	165	$161,717,911	12.28	1,602	213	8	10	13%	29%	66%	60%
137	Virginia	Cash Collateral Program	Collateral Support	Public Agency	$14,053,191	$12,219,060	$104,504	$0	88%	79	$35,183,953	2.88	500	597	4	6	30%	16%	18%	11%
138	Virginia	Center for Innovative Technology (CIT) GAP Fund	Venture Capital	SSE	$3,000,000	$2,627,532	$0	$0	88%	29	$42,196,553	16.06	628	209	6	2	7%	3%	0%	0%
139	Virginia	Economic Development Loan Fund	Loan Participation	Public Agency	$500,000	$500,000	$0	$0	100%	1	$3,000,000	6.00	10	65	65	5	100%	100%	0%	0%
140	Virginia	Virginia Capital Access Program	CAP	Public Agency	$400,000	$241,331	$0	$0	60%	106	$8,327,016	34.50	1,159	903	4	5	36%	37%	29%	21%
	Virginia	Total			$17,953,191	$15,587,923	$104,504	$0	87%	215	$88,707,522	5.65	2,297	1,774	5	4	30%	18%	21%	8%
141	Washington	Capital Access Program	CAP	Public Agency	$300,000	$47,750	$44,022	$0	31%	4	$945,034	19.79	20	15	15	5	25%	21%	0%	0%
142	Washington	Collateral Support Program	Collateral Support	Public Agency	$4,478,158	$1,085,973	$171,672	$0	28%	3	$10,797,493	9.94	35	55	20	14	33%	20%	0%	0%
143	Washington	Craft3 Fund	Loan Participation	Private Agency	$9,944,357	$9,242,515	$174,627	$1,425,000	95%	45	$99,473,467	10.76	674	778	18	12	56%	76%	20%	32%

#	Participating State	Approved State Program	Program Type	Type of Administering Entity (Public, Quasi-Public, Private) or VCP Strategy (Funds, SSE, State Agency, Co-investment Model)	Allocation	SSBCI Funds Expended for Loans or Investments	SSBCI Funds Expended for Program Administration	Recycled Funds Expended	Percent of SSBCI Funds Expended	# of Trans-actions	Total Financing Leveraged	*Leverage Ratio	Estimated # of Jobs to be Created	Estimated # of Jobs to be Retained	Median Size of Business Supported (FTEs)	Median Age of Business Supported (Years)	Percent of Transactions in LMI Areas (by #)	Percent of Transactions in LMI Areas (by $)	Percent of Transactions in Non-Metro Areas (by #)	Percent of Transactions in Non-Metro Areas (by $)
144	Washington	W Fund	Venture Capital	Fund	$5,000,000	$4,975,737	$24,263	$0	100%	21	$38,723,479	7.78	64	51	3	1	10%	10%	0%	0%
	Washington	Total			$19,722,515	$15,351,975	$414,583	$1,425,000	80%	73	$149,939,473	9.51	793	899	9	6	40%	56%	12%	22%
145	West Virginia	Seed Capital Co-investment Fund	Venture Capital	SSE	$6,800,017	$5,037,500	$173,453	$0	77%	30	$46,271,365	9.19	312	226	4	6	43%	63%	20%	20%
146	West Virginia	Subordinated Debt Program	Loan Participation	Quasi-Public Agency	$5,388,998	$4,653,000	$119,159	$60,000	89%	18	$39,426,483	8.47	371	110	6	2	17%	4%	56%	53%
147	West Virginia	West Virginia Collateral Support Program	Collateral Support	Quasi-Public Agency	$827,601	$779,600	$18,544	$0	96%	4	$5,005,800	6.42	25	96	25	18	50%	37%	100%	100%
148	West Virginia	West Virginia Loan Guarantee Program	Loan Guarantee	Quasi-Public Agency	$151,734	$28,000	$666	$0	19%	1	$140,000	5.00	9	16	14	10	0%	0%	100%	100%
	West Virginia	Total			$13,168,350	$10,498,100	$311,823	$60,000	82%	53	$90,843,648	8.40	717	448	6	6	34%	27%	40%	46%
149	Wisconsin	WHEDA Guarantee Program	Loan Guarantee	Quasi-Public Agency	$0	$0	$0	$0	0%	0	$0	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
150	Wisconsin	Wisconsin Equity Fund	Venture Capital	SSE; Fund	$21,000,000	$11,104,413	$520,555	$0	55%	59	$105,973,737	9.54	728	549	8	3	31%	39%	7%	12%
	Wisconsin	Total			$22,363,554	$11,104,413	$520,555	$0	52%	59	$105,973,737	9.12	728	549	8	3	31%	39%	7%	12%
151	Wyoming - Laramie	Credit Guarantee Program	Collateral Support	Private Agency	$12,168,350	$10,351,485	$464,228	$0	89%	53	$44,990,412	4.35	294	215	2	2	21%	5%	77%	43%
152	Wyoming - Laramie	Seed Capital Network Program	Venture Capital	Fund	$1,000,000	$451,831	$17,734	$0	47%	11	$903,662	2.00	3	0	0	3	0%	0%	0%	0%
	Wyoming - Laramie	Total			$13,168,350	$10,803,316	$481,962	$0	86%	64	$45,894,073	4.25	297	215	2	2	17%	5%	64%	42%
		Total			**$1,456,685,731**	**$1,013,917,119**	**$30,155,621**	**$119,069,568**	**72%**	**16,919**	**$8,377,577,675**	****8.02**	**63,891**	**126,509**	**3**	**5**	**42%**	**34%**	**12%**	**17%**

**The overall leverage ratio for each state includes SSBCI funds expended for program administration; however, the leverage ratio shown for each approved state program does not include funds expended for program administration*

***SSBCI overall leverage ratio includes SSBCI funds expended for program administration*

1. Capital Access Programs (CAPs), cumulative through December 31, 2015

#	Participating State	Approved State Program	Type	Type of Administering Entity (Public, Quasi-Public, Private)	Allocation	SSBCI Funds Expended for Loans or Investments	SSBCI Funds Expended for Program Administration	Recycled Funds Expended	Percent of SSBCI Funds Expended	# of Transactions	Total Financing Leveraged	*Leverage Ratio	Estimated # of Jobs to be Created	Estimated # of Jobs to be Retained	Median Size of Business Supported (FTEs)	Median Age of Business Supported (Years)	Percent of Loans in LMI Areas (by #)	Percent of Loans in LMI Areas (by $)	Percent of Loans in Non-Metro Areas (by #)	Percent of Loans in Non-Metro Areas (by $)
1	Alabama	Alabama CAP Program	CAP	Public Agency	$1,870,000	$9,873	$163,801	$0	9%	8	$197,451	20.00	17	23	3	2	13%	29%	25%	26%
2	Arkansas	Arkansas Capital Access Program	CAP	Quasi-Public Agency	$41,522	$31,438	$10,084	$7,902	100%	94	$1,109,148	35.28	102	208	2	2	37%	38%	22%	32%
3	California	California Capital Access Program (CalCAP)	CAP	Public Agency	$19,574,379	$10,455,126	$1,702,525	$275,147	62%	6,592	$237,017,869	22.67	3,341	29,031	2	5	53%	47%	1%	1%
4	Colorado	Colorado Capital Access Program	CAP	Quasi-Public Agency	$300,000	$12,166	$150,850	$0	54%	18	$603,283	49.59	18	0	2	1	100%	100%	100%	100%
5	Connecticut	Connecticut Capital Access Program (CT-CAP)	CAP	Quasi-Public Agency	$0	$179,215	$4,299	$0	0%	35	$5,812,671	32.43	57	435	5	3	23%	33%	6%	6%
6	Delaware	Delaware Access Program	CAP	Public Agency	$1,000,000	$152,805	$0	$0	15%	78	$4,598,897	30.10	236	433	3	4	23%	26%	23%	18%
7	Florida	Florida Capital Access Program	CAP	Public Agency	$2,000,000	$24,040	$318,622	$0	17%	60	$962,115	40.02	45	173	2	3	30%	21%	0%	0%
8	Georgia	Georgia Capital Access Program	CAP	Public Agency	$2,000,000	$0	$0	$0	0%	0	$0	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9	Guam	Guam Capital Access Program	CAP	Quasi-Public Agency	$658,417	$0	$14,223	$0	2%	0	$0	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10	Illinois	Capital Access Program	CAP	Public Agency	$50,000	$20,470	$0	$0	41%	12	$644,898	31.50	54	47	2	6	17%	12%	0%	0%
11	Indiana	Indiana Capital Access Program	CAP	Quasi-Public Agency	$1,500,000	$319,438	$0	$0	21%	125	$8,190,054	25.64	160	282	3	4	33%	21%	8%	7%
12	Iowa	Iowa Capital Access Program	CAP	Private Agency	$9,624	$9,624	$32,846	$0	441%	3	$215,563	22.40	5	1	1	20	0%	0%	100%	100%
13	Kentucky	Kentucky Capital Access Program	CAP	Public Agency	$115,602	$3,102	$2,202	$0	5%	2	$105,306	33.95	15	2	28	10	50%	62%	0%	0%
14	Massachusetts	Capital Access Program	CAP	Public Agency	$1,500,000	$995,100	$185,930	$0	79%	693	$31,022,272	31.18	572	3,997	3	5	25%	24%	3%	4%
15	Michigan	Capital Access Program	CAP	Quasi-Public Agency	$2,200,000	$1,368,637	$0	$0	62%	693	$70,801,338	51.73	1,067	3,620	3	5	31%	27%	42%	35%
16	Minnesota	Capital Access Program	CAP	Public Agency	$500,000	$335,831	$19,973	$0	71%	71	$23,457,070	69.85	291	584	3	6	51%	59%	20%	42%
17	New Hampshire	Capital Access Program	CAP	Quasi-Public Agency	$454,895	$454,887	$0	$0	100%	300	$14,169,520	31.15	242	1,672	2	6	38%	28%	60%	48%
18	New York	New York Capital Access Program	CAP	Public Agency	$7,923,570	$1,751,431	$178,515	$0	24%	944	$33,421,217	19.08	1,372	2,812	2	3	62%	47%	0%	2%
19	North Carolina	North Carolina Capital Access Program	CAP	Private Agency	$1,761,319	$690,269	$1,071,050	$19,505	100%	338	$32,849,621	47.59	1,017	2,721	4	4	14%	10%	8%	8%
20	Ohio	Ohio Capital Access Program	CAP	Public Agency	$525,000	$518,088	$0	$0	99%	252	$14,176,384	27.36	1,135	1,785	4	5	22%	24%	13%	13%
21	Oregon	Capital Access Program	CAP	Public Agency	$166,197	$149,781	$16,416	$0	100%	89	$12,129,379	80.98	196	461	4	3	26%	20%	10%	3%
22	South Carolina	South Carolina Capital Access Program	CAP	Private Agency	$130,716	$130,716	$0	$0	100%	44	$6,717,112	51.39	82	686	16	6	25%	27%	11%	14%
23	Virginia	Virginia Capital Access Program	CAP	Public Agency	$400,000	$241,331	$0	$0	60%	106	$8,327,016	34.50	1,159	903	4	5	36%	37%	29%	21%
24	Washington	Capital Access Program	CAP	Public Agency	$300,000	$47,750	$44,022	$0	31%	4	$945,034	19.79	20	15	15	5	25%	21%	0%	0%
		Total			**$44,981,240**	**$17,901,117**	**$3,915,357**	**$302,554**	**49%**	**10,561**	**$507,473,217**	****23.12**	**11,202**	**49,888**	**2**	**5**	**47%**	**38%**	**7%**	**9%**

**The leverage ratio shown for each approved state program does not include funds expended for program administration*
***CAP overall leverage ratio includes SSBCI funds expended for program administration*

2. Loan Guarantee Programs, cumulative through December 31, 2015

#	Participating State	Approved State Program	Program Type	Type of Administering Entity (Public, Quasi-Public, Private)	Allocation	SSBCI Funds Expended for Loans or Investments	SSBCI Funds Expended for Program Administration	Recycled Funds Expended	Percent of SSBCI Funds Expended	# of Trans-actions	Total Financing Leveraged	*Leverage Ratio	Estimated # of Jobs to be Created	Estimated # of Jobs to be Retained	Median Size of Business Supported (FTEs)	Median Age of Business Supported (Years)	Percent of Loans in LMI Areas (by #)	Percent of Loans in LMI Areas (by $)	Percent of Loans in Non-Metro Areas (by #)	Percent of Loans in Non-Metro Areas (by $)
1	Alabama	Alabama Loan Guarantee Program	Loan Guarantee	Public Agency	$27,561,498	$27,561,498	$0	$45,193,120	100%	387	$146,573,481	5.32	1,440	2,413	4	4	35%	33%	47%	30%
2	Arkansas	Disadvantaged Business Enterprise/ Small Business Loan Guaranty Program	Loan Guarantee	Quasi-Public Agency	$720,071	$477,509	$15,303	$672,341	68%	11	$1,635,500	3.43	43	28	10	6	45%	48%	9%	2%
3	California	California Small Business Loan Guarantee Program	Loan Guarantee	Private Agency	$83,481,263	$49,326,387	$1,092,600	$10,383,428	60%	995	$421,429,141	8.54	6,785	27,820	10	6	38%	38%	2%	1%
4	Florida	Florida Export Support Program	Loan Guarantee	Private Agency	$5,000,000	$1,641,500	$136,631	$0	36%	7	$7,600,000	4.63	20	63	5	4	14%	14%	0%	0%
5	Florida	Loan Guarantee Program	Loan Guarantee	Private Agency	$15,000,000	$13,806,213	$398,727	$5,672,676	95%	39	$67,543,395	4.89	1,215	224	21	10	36%	42%	5%	2%
6	Georgia	Georgia Small Business Credit Guarantee Program	Loan Guarantee	Private Agency	$17,808,507	$7,664,400	$703,466	$30,000	47%	283	$53,050,800	6.92	871	959	4	5	28%	27%	6%	6%
7	Guam	Guam Credit Guarantee Program	Loan Guarantee	Quasi-Public Agency	$9,876,262	$5,303,885	$445,840	$0	58%	41	$9,978,996	1.88	520	265	3	1	32%	56%	93%	98%
8	Louisiana	Small Business Loan Guarantee	Loan Guarantee	Public Agency	$7,590,291	$3,700,184	$106,063	$0	50%	36	$22,927,483	6.20	327	341	6	2	22%	30%	14%	24%
9	Maryland	MIDFA	Loan Guarantee	Public Agency	$827,778	$724,164	$70,387	$0	96%	7	$11,671,500	16.12	93	234	9	10	43%	90%	0%	0%
10	Maryland	MSBDFA Loan Guaranty	Loan Guarantee	Public Agency	$1,485,000	$234,600	$12,364	$0	17%	12	$2,090,000	8.91	73	83	1	5	25%	36%	0%	0%
11	Michigan	Michigan Loan Guarantee Program	Loan Guarantee	Quasi-Public Agency	$2,000,000	$86,050	$35,578	$0	6%	6	$1,280,000	14.88	33	0	6	4	50%	30%	0%	0%
12	Minnesota	General Loan Guarantee Program	Loan Guarantee	Public Agency	$1,470,215	$1,397,115	$53,031	$0	99%	9	$39,703,319	28.42	121	182	22	2	67%	63%	44%	53%
13	Mississippi	Small Business Loan Guaranty Program	Loan Guarantee	Public Agency	$13,168,350	$11,329,406	$2,489	$0	86%	116	$83,142,581	7.34	794	212	2	1	28%	26%	48%	62%
14	New Hampshire	Loan Guarantee Reserves	Loan Guarantee	Quasi-Public Agency	$2,813,821	$2,813,820	$0	$0	100%	8	$40,995,807	14.57	31	769	31	20	13%	2%	38%	34%
15	New Jersey	New Jersey Credit Guarantee Program	Loan Guarantee	Quasi-Public Agency	$3,450,000	$2,227,500	$0	$0	65%	7	$4,455,000	2.00	49	49	7	20	0%	0%	0%	0%
16	New York	Bonding Guarantee Assistance Program	Loan Guarantee	Public Agency	$10,405,173	$4,345,000	$226,995	$0	44%	14	$23,350,000	5.37	0	0	7	11	36%	39%	0%	0%
17	Oregon	Credit Enhancement Fund	Loan Guarantee	Public Agency	$12,850,000	$12,727,207	$122,793	$0	100%	136	$119,956,193	9.43	465	224	9	8	40%	38%	31%	28%
18	U.S. Virgin Islands	Loan Guarantees	Loan Guarantee	Public Agency	$6,925,551	$3,253,300	$130,959	$0	49%	14	$9,487,000	2.92	65	217	12	4	14%	9%	100%	100%
19	U.S. Virgin Islands	Payment, Surety, and Performance Bonding Program	Loan Guarantee	Public Agency	$2,472,413	$0	$0	$0	0%	0	$0	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
20	Utah	Utah Small Business Loan Guarantee Program	Loan Guarantee	Private Agency	$5,348,171	$5,181,789	$185,527	$0	100%	26	$30,830,340	5.95	249	1,268	15	8	38%	21%	15%	1%
21	West Virginia	West Virginia Loan Guarantee Program	Loan Guarantee	Quasi-Public Agency	$151,734	$28,000	$666	$0	19%	1	$140,000	5.00	9	16	14	10	0%	0%	100%	100%
22	Wisconsin	WHEDA Guarantee Program	Loan Guarantee	Quasi-Public Agency	$1,363,553	$0	$0	$0	0%	0	$0	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		Total			**$231,769,651**	**$153,829,527**	**$3,739,419**	**$61,951,566**	**68%**	**2,155**	**$1,097,840,536**	****6.95**	**13,202**	**35,366**	**6**	**5**	**35%**	**34%**	**18%**	**17%**

**The leverage ratio shown for each approved state program does not include funds expended for program administration*
***LGP overall leverage ratio includes SSBCI funds expended for program administration*

3. Collateral Support Programs, cumulative through December 31, 2015

#	Participating State	Approved State Program	Program Type	Type of Administering Entity (Public, Quasi-Public, Private)	Allocation	SSBCI Funds Expended for Loans or Investments	SSBCI Funds Expended for Program Administration	Recycled Funds Expended	Percent of SSBCI Funds Expended	# of Trans-actions	Total Financing Leveraged	*Leverage Ratio	Estimated # of Jobs to be Created	Estimated # of Jobs to be Retained	Median Size of Business Supported (FTEs)	Median Age of Business Supported (Years)	Percent of Loans in LMI Areas (by #)	Percent of Loans in LMI Areas (by $)	Percent of Loans in Non-Metro Areas (by #)	Percent of Loans in Non-Metro Areas (by $)
1	California	California Collateral Support Program (CalCSP)	Collateral Support	Public Agency	$64,700,000	$47,730,069	$168,221	$0	74%	113	$135,129,584	2.83	620	2,740	15	9	39%	33%	1%	0%
2	Colorado	Colorado Cash Collateral Support Program	Collateral Support	Quasi-Public Agency	$16,933,489	$15,867,006	$264,000	$0	95%	157	$101,385,144	6.39	693	271	2	4	39%	37%	41%	23%
3	District of Columbia	DC Collateral Support Program	Collateral Support	Public Agency	$5,802,021	$5,653,198	$146,973	$0	100%	21	$13,388,500	2.37	127	509	9	8	43%	61%	0%	0%
4	Idaho	Collateral Support Program	Collateral Support	Quasi-Public Agency	$13,136,544	$12,655,537	$481,006	$7,179,508	100%	253	$163,944,897	12.95	852	1,658	8	6	24%	26%	30%	25%
5	Illinois	Collateral Support Program	Collateral Support	Quasi-Public Agency	$1,622,500	$1,622,500	$0	$0	100%	5	$16,626,215	10.25	113	50	35	7	0%	0%	20%	80%
6	Kentucky	Kentucky Collateral Support Program	Collateral Support	Public Agency	$10,921,196	$9,510,750	$82,457	$0	88%	111	$76,443,342	8.04	803	804	5	4	43%	50%	46%	37%
7	Michigan	Michigan Business Growth Fund/ Collateral Support	Collateral Support	Quasi-Public Agency	$43,808,853	$43,808,853	$0	$12,519,077	100%	83	$292,274,445	6.67	3,472	472	29	13	34%	38%	23%	19%
8	Nevada	Nevada Collateral Support Program	Collateral Support	Public Agency	$8,303,176	$5,609,035	$186,914	$0	70%	14	$22,044,495	3.93	252	209	10	5	43%	20%	7%	28%
9	New Hampshire	Collateral Shortfall Program	Collateral Support	Quasi-Public Agency	$2,594,851	$2,594,851	$0	$0	100%	7	$31,380,195	12.09	92	320	50	31	0%	0%	29%	38%
10	North Dakota - Carrington	Credit Guarantee Program	Collateral Support	Private Agency	$3,251,445	$2,535,000	$114,565	$300,000	81%	17	$6,372,711	2.51	31	70	3	2	6%	6%	82%	82%
11	Northern Mariana Islands	CNMI Collateral Support Program	Collateral Support	Public Agency	$8,553,157	$2,380,221	$106,462	$0	29%	17	$4,642,000	1.95	135	295	12	7	0%	0%	82%	84%
12	Ohio	Small Business Collateral Enhancement	Collateral Support	Public Agency	$46,163,373	$29,659,014	$1,004,374	$0	66%	240	$116,733,526	3.94	1,972	2,808	6	6	32%	24%	14%	12%
13	U.S. Virgin Islands	Collateral Support	Collateral Support	Public Agency	$3,770,387	$833,825	$88,029	$0	24%	12	$2,527,390	3.03	46	104	4	2	8%	4%	100%	100%
14	Virginia	Cash Collateral Program	Collateral Support	Public Agency	$14,053,191	$12,219,060	$104,504	$0	88%	79	$35,183,953	2.88	500	597	4	6	30%	16%	18%	11%
15	Washington	Collateral Support Program	Collateral Support	Public Agency	$4,478,158	$1,085,973	$171,672	$0	28%	3	$10,797,493	9.94	35	55	20	14	33%	20%	0%	0%
16	West Virginia	West Virginia Collateral Support Program	Collateral Support	Quasi-Public Agency	$827,601	$779,600	$18,544	$0	96%	4	$5,005,800	6.42	25	96	25	18	50%	37%	100%	100%
17	Wyoming - Laramie	Credit Guarantee Program	Collateral Support	Private Agency	$12,168,350	$10,351,485	$464,228	$0	89%	53	$44,990,412	4.35	294	215	2	2	21%	5%	77%	43%
		Total			**$261,088,292**	**$204,895,978**	**$3,442,081**	**$19,998,585**	**80%**	**1,189**	**$1,078,870,102**	****5.13**	**10,062**	**11,273**	**6**	**6**	**31%**	**29%**	**29%**	**21%**

**The leverage ratio shown for each approved state program does not include funds expended for program administration*
***CSP overall leverage ratio includes SSBCI funds expended for program administration*

4. Loan Participation Programs, cumulative through December 31, 2015

#	Participating State	Approved State Program	Program Type	Type of Administering Entity (Public, Quasi-Public, Private)	Allocation	SSBCI Funds Expended for Loans or Investments	SSBCI Funds Expended for Program Administration	Recycled Funds Expended	Percent of SSBCI Funds Expended	# of Trans-actions	Total Financing Leveraged	*Leverage Ratio	Estimated # of Jobs to be Created	Estimated # of Jobs to be Retained	Median Size of Business Supported (FTEs)	Median Age of Business Supported (Years)	Percent of Loans in LMI Areas (by #)	Percent of Loans in LMI Areas (by $)	Percent of Loans in Non-Metro Areas (by #)	Percent of Loans in Non-Metro Areas (by $)
1	Alabama	Alabama Loan Participation Program	Loan Participation	Public Agency	$1,870,000	$838,575	$340,223	$0	63%	5	$5,735,750	6.84	16	48	11	7	20%	28%	0%	0%
2	Arizona	Arizona Expansion Fund	Loan Participation	Quasi-Public Agency	$18,204,217	$17,537,945	$666,273	$234,177	100%	52	$75,406,192	4.30	2,194	1,235	15	5	52%	40%	2%	4%
3	Arkansas	Bond Guaranty/ Loan Participation Program	Loan Participation	Quasi-Public Agency	$4,690,312	$4,577,211	$113,101	$76,789	100%	14	$67,044,000	14.65	459	59	5	2	21%	19%	57%	61%
4	California	California Commercial Property Assessed Clean Energy (CalPACE)	Loan Participation	Public Agency	$0	$0	$0	$0	0%	0	$0	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	Delaware	DSF Participation and Loan Program	Loan Participation	Public Agency	$12,168,350	$8,221,025	$0	$0	68%	32	$54,506,676	6.63	272	522	5	3	47%	16%	31%	66%
6	District of Columbia	DC Loan Participation Program	Loan Participation	Public Agency	$4,366,329	$0	$0	$0	0%	0	$0	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7	Florida	Direct Loan Program	Loan Participation	Private Agency	$100,000	$0	$0	$0	0%	0	$0	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
8	Florida	Loan Participation Program	Loan Participation	Private Agency	$32,062,349	$31,583,935	$478,414	$7,002,344	100%	52	$108,556,823	3.44	734	56	4	3	29%	28%	8%	13%
9	Georgia	Georgia Funding for CDFIs	Loan Participation	Private Agency	$20,000,000	$19,500,647	$499,353	$450,000	100%	73	$113,779,199	5.83	701	340	6	4	48%	44%	26%	18%
10	Georgia	Georgia Loan Participation Program	Loan Participation	Public Agency	$8,000,000	$4,308,622	$440,926	$0	59%	15	$36,469,632	8.46	211	85	7	4	67%	43%	20%	24%
11	Guam	Guam Loan Participation Program	Loan Participation	Quasi-Public Agency	$2,633,671	$0	$0	$0	0%	0	$0	0.00	0	0	N/A	N/A	N/A	N/A	N/A	N/A
12	Illinois	Conditional Direct Loan Program	Loan Participation	Public Agency	$500,000	$500,000	$0	$0	100%	1	$3,698,573	7.40	35	0	0	10	100%	100%	0%	0%
13	Illinois	Participation Loan Program	Loan Participation	Public Agency	$70,141,764	$48,621,032	$2,889,283	$1,500,000	73%	166	$394,392,418	8.11	1,883	1,064	13	7	38%	42%	16%	12%
14	Iowa	Iowa Small Business Loan Program	Loan Participation	Private Agency	$30,331	$31,455	$74	$0	104%	14	$416,400	13.24	13	15	1	0	50%	57%	14%	17%
15	Kansas	Kansas Capital Multiplier Loan Fund	Loan Participation	Quasi-Public Agency	$9,217,845	$8,621,551	$196,530	$314,481	96%	58	$152,057,853	17.64	569	418	8	3	41%	47%	43%	54%
16	Kentucky	Kentucky Loan Participation Program	Loan Participation	Public Agency	$1,000,000	$271,029	$5,971	$0	28%	4	$6,195,147	22.86	4	16	6	3	25%	25%	100%	100%
17	Maine	Economic Recovery Loan Fund	Loan Participation	Quasi-Public Agency	$1,851,515	$1,130,521	$40,908	$0	63%	5	$12,327,011	10.90	18	119	14	8	20%	58%	20%	14%
18	Maine	Regional Economic Development Revolving Loan	Loan Participation	Quasi-Public Agency	$7,000,000	$1,874,200	$57,412	$0	28%	20	$17,057,417	9.10	143	124	4	4	35%	23%	15%	8%
19	Maryland	DHCD - Neighborhood Business Works Program	Loan Participation	Public Agency	$1,500,000	$495,000	$57,574	$0	37%	1	$2,110,000	4.26	25	2	2	3	0%	0%	0%	0%
20	Massachusetts	MBDC Loan Participation	Loan Participation	Private Agency	$5,013,000	$4,719,600	$13,348	$444,900	94%	14	$54,478,000	11.54	57	794	35	23	21%	24%	7%	2%
21	Massachusetts	MGCC Loan Participation	Loan Participation	Quasi-Public Agency	$13,932,072	$10,793,305	$0	$1,616,770	77%	69	$24,820,150	2.30	452	2,850	22	18	29%	31%	1%	3%
22	Michigan	Michigan Business Growth Fund/ Loan Participations	Loan Participation	Quasi-Public Agency	$25,148,889	$24,796,758	$873,823	$3,444,775	102%	33	$99,242,700	4.00	1,180	133	16	15	61%	75%	61%	73%
23	Minnesota	Emerging Entrepreneurs Fund	Loan Participation	Public Agency	$6,792,967	$5,707,013	$204,026	$0	87%	130	$64,110,641	11.23	561	1,271	2	3	48%	42%	18%	32%
24	Missouri	Grow Missouri Loan Fund	Loan Participation	Quasi-Public Agency	$2,904,353	$2,094,293	$33,201	$0	73%	3	$16,960,711	8.10	31	111	22	10	33%	45%	0%	0%
25	Montana	Loan Participation Program	Loan Participation	Public Agency	$12,765,037	$11,935,203	$351,804	$0	96%	48	$120,197,791	10.07	824	185	10	11	27%	24%	54%	47%
26	Nebraska	Nebraska Progress Loan Fund	Loan Participation	Public Agency	$9,240,980	$7,563,156	$289,445	$0	85%	18	$51,667,537	6.83	265	6	3	2	17%	9%	78%	93%
27	Nevada	Nevada Microenterprise Initiative	Loan Participation	Public Agency	$500,000	$100,000	$6,840	$0	21%	1	$200,000	2.00	23	10	2	17	0%	0%	0%	0%
28	New Hampshire	Aid to Local Development Organizations	Loan Participation	Quasi-Public Agency	$4,178,400	$4,177,400	$200	$0	100%	17	$27,757,087	6.64	208	977	21	4	18%	5%	6%	0%
29	New Jersey	New Jersey Direct Loan Program	Loan Participation	Quasi-Public Agency	$9,260,698	$4,750,000	$0	$0	51%	5	$16,799,000	3.54	73	25	14	5	20%	36%	0%	0%
30	New Jersey	New Jersey Loan Participation Program	Loan Participation	Quasi-Public Agency	$14,250,000	$7,391,900	$0	$0	52%	16	$26,577,044	3.60	105	309	19	13	38%	33%	0%	0%
31	New Mexico	New Mexico Loan Participation	Loan Participation	Public Agency	$13,168,350	$6,926,459	$262,284	$0	55%	16	$45,314,930	6.54	194	13	8	7	38%	36%	13%	18%

#	Participating State	Approved State Program	Program Type	Type of Administering Entity (Public, Quasi-Public, Private)	Allocation	SSBCI Funds Expended for Loans or Investments	SSBCI Funds Expended for Program Administration	Recycled Funds Expended	Percent of SSBCI Funds Expended	# of Trans-actions	Total Financing Leveraged	*Leverage Ratio	Estimated # of Jobs to be Created	Estimated # of Jobs to be Retained	Median Size of Business Supported (FTEs)	Median Age of Business Supported (Years)	Percent of Loans in LMI Areas (by #)	Percent of Loans in LMI Areas (by $)	Percent of Loans in Non-Metro Areas (by #)	Percent of Loans in Non-Metro Areas (by $)
		Program																		
32	North Carolina	North Carolina Loan Participation Program	Loan Participation	Private Agency	$34,000,000	$33,677,752	$291,396	$2,328,664	100%	229	$264,132,398	7.84	1,410	3,685	9	7	16%	17%	24%	18%
33	North Dakota - Mandan	Loan Participation Program	Loan Participation	Private Agency	$9,734,641	$9,495,593	$239,048	$2,358,861	100%	39	$71,738,273	7.55	405	159	10	1	36%	23%	33%	18%
34	Northern Mariana Islands	CNMI Loan Purchase Participation Program	Loan Participation	Public Agency	$4,615,193	$410,268	$32,951	$0	10%	5	$1,025,671	2.50	26	18	4	1	0%	0%	80%	71%
35	Oregon	Oregon Business Development Fund	Loan Participation	Public Agency	$3,500,000	$2,948,750	$378,461	$0	95%	11	$20,637,492	7.00	142	18	15	2	45%	68%	18%	28%
36	Pennsylvania	Machinery and Equipment Loan Fund	Loan Participation	Public Agency	$9,000,000	$3,413,000	$20,652	$0	38%	2	$6,993,734	2.05	0	193	97	64	50%	20%	0%	0%
37	Pennsylvania	Pennsylvania Community Development Bank Program	Loan Participation	Private Agency	$6,512,500	$3,850,321	$81,474	$596,981	60%	89	$34,943,925	9.08	349	351	1	1	55%	47%	13%	10%
38	Pennsylvania	Pennsylvania Economic Development Finance Authority Program	Loan Participation	Public Agency	$8,728,732	$5,186,719	$81,989	$61,500	60%	31	$60,530,476	11.67	510	1,168	12	6	26%	16%	19%	6%
39	Puerto Rico	Loan Participation	Loan Participation	Quasi-Public Agency	$13,540,057	$13,540,057	$0	$4,320,559	100%	23	$36,941,572	2.73	624	1,638	25	9	30%	15%	13%	11%
40	Rhode Island	Small Business Loan Fund	Loan Participation	Quasi-Public Agency	$2,168,350	$450,000	$56,858	$0	23%	3	$5,030,000	11.18	5	70	9	9	0%	0%	0%	0%
41	South Carolina	South Carolina Loan Participation Program	Loan Participation	Private Agency	$17,859,699	$17,688,976	$0	$6,852,200	99%	127	$136,018,021	7.69	432	1,692	10	8	20%	17%	16%	14%
42	South Dakota	South Dakota Works Loan Program	Loan Participation	Public Agency	$13,168,350	$7,863,045	$166,851	$0	61%	16	$65,004,557	8.27	401	305	47	7	50%	58%	13%	13%
43	Utah	Utah Small Business Loan Participation Program	Loan Participation	Private Agency	$6,425,190	$1,032,000	$228,160	$0	20%	4	$7,430,000	7.20	49	81	15	9	50%	17%	0%	0%
44	Vermont	Commercial Participation Program	Loan Participation	Quasi-Public Agency	$7,818,618	$7,818,616	$0	$3,020,940	100%	60	$108,631,031	13.89	1,044	201	32	17	13%	37%	58%	57%
45	Vermont	Small Business Participation Program	Loan Participation	Quasi-Public Agency	$5,349,732	$5,349,734	$0	$0	100%	105	$53,086,880	9.92	558	12	4	9	13%	11%	70%	67%
46	Virginia	Economic Development Loan Fund	Loan Participation	Public Agency	$500,000	$500,000	$0	$0	100%	1	$3,000,000	6.00	10	65	65	5	100%	100%	0%	0%
47	Washington	Craft3 Fund	Loan Participation	Private Agency	$9,944,357	$9,242,515	$174,627	$1,425,000	95%	45	$99,473,467	10.76	674	778	18	12	56%	76%	20%	32%
48	West Virginia	Subordinated Debt Program	Loan Participation	Quasi-Public Agency	$5,388,998	$4,653,000	$119,159	$60,000	89%	18	$39,426,483	8.47	371	110	6	2	17%	4%	56%	53%
		Total			**$470,745,846**	**$366,188,180**	**$9,692,639**	**$36,108,940**	**80%**	**1,690**	**$2,611,922,662**	****6.95**	**18,257**	**21,330**	**8**	**6**	**33%**	**33%**	**26%**	**27%**

**The leverage ratio shown for each approved state program does not include funds expended for program administration*
***LPP overall leverage ratio includes SSBCI funds expended for program administration*

5. Venture Capital Programs, cumulative through December 31, 2015

#	Participating State	Approved State Program	Program Type	VCP Category (Funds, State-Supported Entities, State Agencies, and Contractual Co-Investment)	Allocation	SSBCI Funds Expended for Loans or Investments	SSBCI Funds Expended for Program Administration	Recycled Funds Expended	Percent of SSBCI Funds Expended	# of Transactions	Total Financing Leveraged	*Leverage Ratio	Estimated # of Jobs to be Created	Estimated # of Jobs to be Retained	Median Size of Business Supported (FTEs)	Median Age of Business Supported (Years)	Percent of Transactions in LMI Areas (by #)	Percent of Transactions in LMI Areas (by $)	Percent of Transactions in Non-Metro Areas (by #)	Percent of Transactions in Non-Metro Areas (by $)
1	Alaska - Anchorage	49th State Venture Fund	Venture Capital	State Agency; Fund	$13,168,350	$862,250	$393,412	$0	10%	8	$5,614,500	6.51	36	6	5	1	25%	66%	0%	0%
2	American Samoa	American Samoa Venture Fund	Venture Capital	SSE	$10,500,000	$0	$131,045	$0	1%	0	$0	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3	Arkansas	Arkansas Development Finance Authority Co-investment Fund	Venture Capital	SSE	$3,595,156	$3,274,521	$113,364	$0	94%	13	$23,997,759	7.33	117	0	11	3	46%	67%	0%	0%
4	Arkansas	Risk Capital Matching Fund	Venture Capital	SSE	$1,297,352	$1,233,035	$30,419	$462,923	97%	13	$96,769,187	78.48	55	7	8	4	85%	90%	0%	0%
5	Arkansas	Seed and Angel Capital Network	Venture Capital	Fund	$2,823,937	$2,059,623	$101,510	$0	77%	94	$24,895,865	12.09	435	29	2	0	50%	55%	1%	0%
6	Connecticut	Seed and Early Stage Investment Fund (SESIF)	Venture Capital	SSE	$13,301,126	$6,289,002	$2,163	$0	47%	10	$46,045,020	7.32	55	145	13	6	40%	31%	0%	0%
7	District of Columbia	Innovation Finance Program	Venture Capital	Co-investment Model	$3,000,000	$50,000	$108	$0	2%	1	$160,000	3.20	0	8	8	1	100%	100%	0%	0%
8	Florida	Florida Venture Capital Program	Venture Capital	Fund	$43,500,000	$20,971,851	$657,059	$0	50%	44	$113,443,944	5.41	652	476	13	5	61%	47%	0%	0%
9	Hawaii	HSDC Venture Capital Investment Program	Venture Capital	Fund	$13,168,350	$3,193,451	$204,642	$0	26%	77	$74,099,511	23.20	148	184	3	0	23%	26%	13%	2%
10	Illinois	Venture Capital Program	Venture Capital	State Agency	$6,051,000	$6,051,000	$0	$0	100%	24	$87,525,502	14.46	392	176	4	3	17%	15%	0%	0%
11	Indiana	State Venture Capital Program	Venture Capital	Co-investment Model; SSE	$32,839,074	$14,620,665	$603,108	$0	46%	77	$46,578,371	3.19	431	317	6	3	29%	15%	5%	8%
12	Iowa	Iowa Demonstration Fund Program	Venture Capital	State Agency	$13,025,065	$7,500,000	$153,809	$0	59%	23	$43,834,800	5.84	273	167	7	4	13%	12%	4%	3%
13	Kansas	Kansas Capital Multiplier Venture Fund	Venture Capital	Co-investment Model	$3,950,505	$3,484,235	$106,191	$0	91%	23	$58,231,485	16.71	572	85	5	2	30%	37%	22%	19%
14	Kentucky	Kentucky Venture Capital Program	Venture Capital	SSE	$3,451,200	$0	$0	$0	0%	0	$0	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
15	Louisiana	Louisiana Seed Capital Program	Venture Capital	Fund	$4,775,767	$1,255,000	$49,967	$0	27%	25	$15,851,084	12.63	27	133	3	2	8%	4%	0%	0%
16	Maine	Small Enterprise Growth Fund	Venture Capital	SSE	$4,316,835	$2,537,812	$95,832	$0	61%	18	$15,157,728	5.97	129	315	19	4	22%	33%	6%	1%
17	Maryland	Maryland Venture Fund IV	Venture Capital	SSE	$19,212,931	$8,064,083	$180,175	$0	43%	22	$263,588,815	32.69	585	628	19	5	32%	35%	0%	0%
18	Michigan	Small Business Mezzanine Fund	Venture Capital	Fund	$6,000,000	$1,875,767	$936,633	$0	47%	6	$13,015,000	6.94	107	0	21	4	33%	52%	0%	0%
19	Minnesota	Angel Loan Fund	Venture Capital	Co-investment Model	$6,700,000	$2,800,300	$92,050	$0	43%	17	$33,409,757	11.93	142	171	4	4	35%	36%	0%	0%
20	Missouri	Missouri IDEA Fund	Venture Capital	SSE	$24,025,941	$20,030,895	$807,375	$225,000	87%	84	$288,651,850	14.41	1,129	225	2	3	45%	50%	2%	1%
21	Nebraska	Nebraska Progress Seed Fund	Venture Capital	SSE	$3,927,370	$2,171,500	$60,881	$0	57%	28	$14,130,891	6.51	28	50	3	0	54%	51%	14%	26%
22	Nevada	Battle Born Growth Escalator (BBGE)	Venture Capital	SSE	$5,000,000	$1,600,000	$118,794	$0	34%	5	$8,160,000	5.10	194	82	8	2	60%	72%	0%	0%
23	New Hampshire	Venture Capital Fund	Venture Capital	Fund	$3,126,383	$1,922,822	$50,800	$0	63%	14	$57,610,806	29.96	162	270	10	2	57%	64%	43%	36%
24	New Jersey	New Jersey Venture Capital Fund Program	Venture Capital	Fund	$6,800,000	$5,367,518	$0	$0	79%	39	$58,774,027	10.95	564	218	22	2	8%	11%	0%	0%
25	New York	Innovate New York Fund	Venture Capital	Fund	$37,022,791	$28,478,636	$438,386	$0	78%	149	$276,857,922	9.72	786	899	5	3	19%	33%	6%	2%
26	North Carolina	North Carolina Venture Capital Fund-of-Funds Program	Venture Capital	Fund	$10,300,000	$7,966,378	$323,398	$0	80%	75	$266,324,292	33.43	350	716	4	4	29%	32%	3%	3%
27	North Dakota - Carrington	Seed Capital Network Program	Venture Capital	Fund	$182,264	$125,000	$11,109	$0	75%	1	$850,000	6.80	4	2	1	6	0%	0%	100%	100%
28	Ohio	Targeted Investment Program	Venture Capital	State Agency	$8,450,000	$7,593,725	$189,684	$0	92%	7	$17,288,449	2.28	118	78	11	5	57%	63%	14%	7%
29	Oklahoma	Accelerate Oklahoma Fund	Venture Capital	SSE	$13,168,350	$10,780,090	$175,965	$0	83%	45	$73,983,938	6.86	502	53	3	3	82%	74%	7%	5%
30	Pennsylvania	Ben Franklin Technology Partners and Life Sciences Greenhouse	Venture Capital	SSE	$5,000,000	$2,964,666	$82,165	$20,000	61%	34	$105,580,661	35.61	163	182	3	4	32%	23%	9%	21%

#	Participating State	Approved State Program	Program Type	VCP Category (Funds, State-Supported Entities, State Agencies, and Contractual Co-Investment)	Allocation	SSBCI Funds Expended for Loans or Investments	SSBCI Funds Expended for Program Administration	Recycled Funds Expended	Percent of SSBCI Funds Expended	# of Transactions	Total Financing Leveraged	*Leverage Ratio	Estimated # of Jobs to be Created	Estimated # of Jobs to be Retained	Median Size of Business Supported (FTEs)	Median Age of Business Supported (Years)	Percent of Transactions in LMI Areas (by #)	Percent of Transactions in LMI Areas (by $)	Percent of Transactions in Non-Metro Areas (by #)	Percent of Transactions in Non-Metro Areas (by $)
		Partners																		
31	Puerto Rico	Venture Capital	Venture Capital	SSE	$1,000,000	$1,000,000	$0	$0	100%	1	$9,050,000	9.05	300	101	101	1	0%	0%	0%	0%
32	Rhode Island	Betaspring	Venture Capital	Fund	$2,000,000	$1,869,284	$46,980	$0	96%	54	$16,300,371	8.72	18	108	2	0	83%	84%	0%	0%
33	Rhode Island	Slater Technology Fund	Venture Capital	SSE	$9,000,000	$2,852,940	$116,384	$0	33%	14	$74,408,928	26.08	19	76	4	4	43%	24%	0%	0%
34	Tennessee	INCITE Fund	Venture Capital	Co-investment Model	$29,672,070	$27,884,688	$969,368	$0	97%	83	$147,279,309	5.28	338	1,121	7	3	40%	35%	13%	12%
35	Texas	Jobs for Texas-Venture Capital	Venture Capital	Fund	$46,553,879	$37,224,566	$1,336,501	$0	83%	42	$461,195,024	12.39	594	579	9	6	24%	31%	2%	2%
36	Utah	Equity Investment Program	Venture Capital	Fund	$1,394,989	$950,001	$50,844	$0	72%	4	$8,737,570	9.20	11	12	17	2	25%	65%	0%	0%
37	Virginia	Center for Innovative Technology (CIT) GAP Fund	Venture Capital	SSE	$3,000,000	$2,627,532	$0	$0	88%	29	$42,196,553	16.06	628	209	6	2	7%	3%	0%	0%
38	Washington	W Fund	Venture Capital	Fund	$5,000,000	$4,975,737	$24,263	$0	100%	21	$38,723,479	7.78	64	51	3	1	10%	10%	0%	0%
39	West Virginia	Seed Capital Co-investment Fund	Venture Capital	SSE	$6,800,017	$5,037,500	$173,453	$0	77%	30	$46,271,365	9.19	312	226	4	6	43%	63%	20%	20%
40	Wisconsin	Wisconsin Equity Fund	Venture Capital	SSE; Fund	$21,000,000	$11,104,413	$520,555	$0	55%	59	$105,973,737	9.54	728	549	8	3	31%	39%	7%	12%
41	Wyoming - Laramie	Seed Capital Network Program	Venture Capital	Fund	$1,000,000	$451,831	$17,734	$0	47%	11	$903,662	2.00	3	0	0	3	0%	0%	0%	0%
		Total			**$448,100,702**	**$271,102,317**	**$9,366,125**	**$707,923**	**63%**	**1,324**	**$3,081,471,158**	****11.08**	**11,169**	**8,652**	**5**	**2**	**36%**	**36%**	**6%**	**5%**

**The leverage ratio shown for each approved state program does not include funds expended for program administration*
***VCP overall leverage ratio includes SSBCI funds expended for program administration*

B. TYPICAL CAP TRANSACTION, by Approved State Program, cumulative through December 31, 2015

				Principal Loan Amount							Top 3 Industries Assisted		
#	Participating State	Approved State Program	# of Loans	Minimum	Maximum	Median	Median % SSBCI Support per Loan	Median Size of Business Supported (FTEs)	Median Age of Business Supported (Years)	Median Revenue of Business Supported	#1	#2	#3
1	Alabama	Alabama CAP Program	8	$9,215	$56,723	$23,116	5.0%	3	2	$25,893	Retail Trade Construction	Agriculture, Forestry, Fishing and Hunting Professional, Scientific, and Technical Services Accommodation and Food Services Other Services (except Public Administration)	N/A
2	Arkansas	Arkansas Capital Access Program	94	$1,000	$58,094	$10,000	3.0%	2	2	$20,400	Retail Trade	Manufacturing	Professional, Scientific, and Technical Services
3	California	California Capital Access Program (CalCAP)	6,592	$500	$2,900,000	$9,841	7.0%	2	5	$114,000	Retail Trade	Accommodation and Food Services	Transportation and Warehousing
4	Colorado	Colorado Capital Access Program	18	$2,500	$89,300	$25,000	2.0%	2	1	$147,650	Accommodation and Food Services	Health Care and Social Assistance	Professional, Scientific, and Technical Services Finance and Insurance Real Estate and Rental and Leasing Retail Trade Wholesale Trade Manufacturing Other Services (except Public Administration)
5	Connecticut	Connecticut Capital Access Program (CT-CAP)	35	$15,000	$500,000	$120,000	3.0%	5	3	$1,065,838	Retail Trade	Other Services (except Public Administration)	Construction Health Care and Social Assistance
6	Delaware	Delaware Access Program	78	$7,000	$277,391	$50,000	3.0%	3	4	$286,786	Accommodation and Food Services	Retail Trade	Professional, Scientific, and Technical Services Administrative and Support and Waste Management and Remediation Services Construction Health Care and Social Assistance
7	Florida	Florida Capital Access Program	60	$2,500	$176,000	$7,500	3.1%	2	3	$103,404	Transportation and Warehousing	Other Services (except Public Administration)	Construction Wholesale Trade
8	Georgia	Georgia Capital Access Program	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9	Guam	Guam Capital Access Program	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10	Illinois	Capital Access Program	12	$7,500	$200,000	$27,500	3.0%	2	6	$121,000	Professional, Scientific, and Technical Services Manufacturing Wholesale Trade Construction Other Services (except Public Administration)	Arts, Entertainment, and Recreation Transportation and Warehousing	N/A
11	Indiana	Indiana Capital Access Program	125	$3,000	$525,000	$35,000	3.0%	3	4	$365,000	Retail Trade	Construction	Accommodation and Food Services
12	Iowa	Iowa Capital Access Program	3	$55,563	$95,000	$65,000	4.0%	1	20	$120,000	Other Services (except Public Administration) Transportation and Warehousing Retail Trade	N/A	N/A
13	Kentucky	Kentucky Capital Access Program	2	$40,000	$65,306	$52,653	3.0%	28	10	$3,026,876	Manufacturing Health Care and Social Assistance	N/A	N/A
14	Massachusetts	Capital Access Program	693	$1,000	$750,000	$25,000	3.0%	3	5	$376,117	Retail Trade	Construction	Other Services (except Public Administration)
15	Michigan	Capital Access Program	693	$2,000	$664,000	$35,000	3.0%	3	5	$235,809	Retail Trade	Manufacturing	Transportation and Warehousing
16	Minnesota	Capital Access Program	71	$2,000	$500,000	$25,000	4.0%	3	6	$238,614	Manufacturing	Construction	Accommodation and Food Services
17	New Hampshire	Capital Access Program	300	$1,150	$200,000	$30,000	3.0%	2	6	$278,006	Construction	Accommodation and Food Services	Other Services (except Public Administration)
18	New York	New York Capital Access Program	944	$500	$500,000	$20,000	7.0%	2	3	$70,406	Other Services (except Public Administration)	Retail Trade	Transportation and Warehousing

19	North Carolina	North Carolina Capital Access Program	338	$2,500	$908,650	$41,250	3.0%	4	4	$208,489	Professional, Scientific, and Technical Services	Accommodation and Food Services	Retail Trade
20	Ohio	Ohio Capital Access Program	252	$5,000	$350,000	$44,750	3.0%	4	5	$270,118	Retail Trade	Accommodation and Food Services	Other Services (except Public Administration)
21	Oregon	Capital Access Program	89	$5,000	$2,385,000	$35,000	3.0%	4	3	$450,000	Construction Professional, Scientific, and Technical Services	Accommodation and Food Services	Manufacturing
22	South Carolina	South Carolina Capital Access Program	44	$5,000	$375,000	$123,750	2.0%	16	6	$2,362,725	Construction	Manufacturing Accommodation and Food Services	Retail Trade Professional, Scientific, and Technical Services
23	Virginia	Virginia Capital Access Program	106	$5,000	$500,000	$50,000	3.0%	4	5	$320,847	Accommodation and Food Services	Other Services (except Public Administration)	Retail Trade Agriculture, Forestry, Fishing and Hunting
24	Washington	Capital Access Program	4	$100,000	$345,034	$250,000	5.2%	15	5	$2,201,393	Retail Trade Professional, Scientific, and Technical Services Health Care and Social Assistance Manufacturing	N/A	N/A
		Total	**10,561**	**$500**	**$2,900,000**	**$14,753**	**7.0%**	**2**	**5**	**$129,996**	**Retail Trade**	**Accommodation and Food Services**	**Transportation and Warehousing**

C. TYPICAL LOAN GUARANTEE TRANSACTION, by Approved State Program, cumulative through December 31, 2015

				Principal Loan Amount							Top 3 Industries Assisted		
#	Participating State	Approved State Program	# of Loans	Minimum	Maximum	Median	Median % SSBCI Support per Loan	Median Size of Business Supported (FTEs)	Median Age of Business Supported (Years)	Median Revenue of Business Supported	#1	#2	#3
1	Alabama	Alabama Loan Guarantee Program	387	$3,000	$5,000,000	$135,000	50.0%	4	4	$293,000	Retail Trade	Manufacturing	Other Services (except Public Administration)
2	Arkansas	Disadvantaged Business Enterprise/ Small Business Loan Guaranty Program	11	$35,000	$300,000	$128,500	70.0%	10	6	$696,426	Manufacturing	Professional, Scientific, and Technical Services	Construction
3	California	California Small Business Loan Guarantee Program	995	$11,000	$6,612,500	$200,000	16.0%	10	6	$1,046,000	Accommodation and Food Services	Retail Trade	Manufacturing
4	Florida	Florida Export Support Program	7	$110,000	$1,600,000	$550,000	44.5%	5	4	$2,561,481	Wholesale Trade	Manufacturing Administrative and Support and Waste Management and Remediation Services Construction	N/A
5	Florida	Loan Guarantee Program	39	$150,000	$6,270,000	$962,000	50.0%	21	10	$4,500,000	Accommodation and Food Services Wholesale Trade	Other Services (except Public Administration) Construction Health Care and Social Assistance	Administrative and Support and Waste Management and Remediation Services Retail Trade Professional, Scientific, and Technical Services
6	Georgia	Georgia Small Business Credit Guarantee Program	283	$10,000	$1,000,000	$100,000	10.0%	4	5	$250,000	Professional, Scientific, and Technical Services	Manufacturing	Construction
7	Guam	Guam Credit Guarantee Program	41	$2,600	$1,642,500	$100,000	75.0%	3	1	$201,554	Accommodation and Food Services	Retail Trade	Professional, Scientific, and Technical Services
8	Louisiana	Small Business Loan Guarantee	36	$47,327	$3,224,000	$401,500	18.8%	6	2	$0	Manufacturing	Administrative and Support and Waste Management and Remediation Services	Wholesale Trade Construction
9	Maryland	MIDFA	7	$100,000	$8,600,000	$240,000	8.4%	9	10	$1,700,000	Professional, Scientific, and Technical Services	Retail Trade	Construction Manufacturing
10	Maryland	MSBDFA Loan Guaranty	12	$60,000	$350,000	$150,000	10.0%	1	5	$61,122	Accommodation and Food Services	Professional, Scientific, and Technical Services	Retail Trade
11	Michigan	Michigan Loan Guarantee Program	6	$40,000	$750,000	$75,000	5.0%	6	4	$22,579	Accommodation and Food Services	Retail Trade Wholesale Trade Arts, Entertainment, and Recreation Educational Services	N/A
12	Minnesota	General Loan Guarantee Program	9	$74,100	$750,000	$250,000	42.0%	22	2	$1,160,000	Health Care and Social Assistance	Manufacturing Accommodation and Food Services	Other Services (except Public Administration) Construction
13	Mississippi	Small Business Loan Guaranty Program	116	$50,000	$6,000,000	$447,068	15.0%	2	1	$0	Agriculture, Forestry, Fishing and Hunting	Retail Trade	Manufacturing
14	New Hampshire	Loan Guarantee Reserves	8	$350,000	$11,893,392	$2,762,505	7.5%	31	20	$4,762,000	Manufacturing	Wholesale Trade Transportation and Warehousing Arts, Entertainment, and Recreation Accommodation and Food Services Health Care and Social Assistance	N/A
15	New Jersey	New Jersey Credit Guarantee Program	7	$100,000	$1,150,000	$800,000	50.0%	7	20	$959,000	Real Estate and Rental and Leasing	Accommodation and Food Services Retail Trade Construction Manufacturing	N/A
16	New York	Bonding Guarantee Assistance Program	14	$550,000	$4,000,000	$1,000,000	30.0%	7	11	$957,605	Construction	Wholesale Trade Administrative and Support and Waste Management and Remediation Services	N/A
17	Oregon	Credit Enhancement Fund	136	$15,000	$5,914,000	$400,000	16.7%	9	8	$1,507,960	Manufacturing	Construction	Retail Trade
18	U.S. Virgin Islands	Loan Guarantees	14	$20,000	$2,250,000	$315,500	10.0%	12	4	$1,318,000	Health Care and Social Assistance	Accommodation and Food Services	Retail Trade Arts, Entertainment, and Recreation Transportation and Warehousing Wholesale Trade Administrative and Support and Waste

				Principal Loan Amount							Top 3 Industries Assisted		
#	Participating State	Approved State Program	# of Loans	Minimum	Maximum	Median	Median % SSBCI Support per Loan	Median Size of Business Supported (FTEs)	Median Age of Business Supported (Years)	Median Revenue of Business Supported	#1	#2	#3
													Management and Remediation Services Construction
19	U.S. Virgin Islands	Payment, Surety, and Performance Bonding Program	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
20	Utah	Utah Small Business Loan Guarantee Program	26	$20,000	$5,500,000	$387,500	40.0%	15	8	$2,016,374	Manufacturing	Administrative and Support and Waste Management and Remediation Services	Retail Trade Construction Accommodation and Food Services
21	West Virginia	West Virginia Loan Guarantee Program	1	$140,000	$140,000	$140,000	20.0%	14	10	$2,000,000	Manufacturing	N/A	N/A
22	Wisconsin	WHEDA Guarantee	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		Total	**2,155**	**$2,600**	**$11,893,392**	**$200,000**	**16.0%**	**6**	**5**	**$609,000**	**Manufacturing**	**Retail Trade**	**Construction**

D. TYPICAL COLLATERAL SUPPORT TRANSACTION, by Approved State Program, cumulative through December 31, 2015

				Principal Loan Amount							Top 3 Industries Assisted		
#	Participating State	Approved State Program	# of Loans	Minimum	Maximum	Median	Median % SSBCI Support per Loan	Median Size of Business Supported (FTEs)	Median Age of Business Supported (Years)	Median Revenue of Business Supported	#1	#2	#3
1	California	California Collateral Support Program (CalCSP)	113	$50,000	$10,000,000	$500,000	50.0%	15	9	$2,504,408	Manufacturing	Retail Trade	Construction
2	Colorado	Colorado Cash Collateral Support Program	157	$10,000	$5,000,000	$175,000	25.0%	2	4	$235,831	Accommodation and Food Services	Manufacturing Health Care and Social Assistance	Retail Trade
3	District of Columbia	DC Collateral Support Program	21	$25,000	$2,000,000	$375,000	50.0%	9	8	$3,640,501	Construction	Accommodation and Food Services	Health Care and Social Assistance Manufacturing
4	Idaho	Collateral Support Program	253	$4,765	$5,000,000	$345,000	14.8%	8	6	$969,169	Health Care and Social Assistance	Manufacturing	Retail Trade
5	Illinois	Collateral Support Program	5	$100,000	$12,728,800	$634,915	20.0%	35	7	$8,000,000	Retail Trade	Professional, Scientific, and Technical Services Manufacturing Other Services (except Public Administration)	N/A
6	Kentucky	Kentucky Collateral Support Program	111	$25,000	$6,100,000	$245,000	20.0%	5	4	$243,000	Manufacturing	Retail Trade Accommodation and Food Services	Health Care and Social Assistance
7	Michigan	Michigan Business Growth Fund/ Collateral Support	83	$100,000	$20,000,000	$825,000	39.7%	29	13	$5,500,000	Manufacturing	Wholesale Trade	Professional, Scientific, and Technical Services Transportation and Warehousing
8	Nevada	Nevada Collateral Support Program	14	$40,000	$5,167,000	$794,048	35.0%	10	5	$1,177,889	Other Services (except Public Administration) Health Care and Social Assistance Administrative and Support and Waste Management and Remediation Services Construction	Professional, Scientific, and Technical Services Manufacturing Retail Trade Arts, Entertainment, and Recreation Accommodation and Food Services Finance and Insurance	N/A
9	New Hampshire	Collateral Shortfall Program	7	$333,172	$10,760,000	$2,050,000	14.2%	50	31	$6,933,000	Manufacturing	Wholesale Trade Information	N/A
10	North Dakota - Carrington	Credit Guarantee Program	17	$20,000	$1,000,000	$390,000	43.0%	3	2	$185,000	Retail Trade	Manufacturing	Administrative and Support and Waste Management and Remediation Services Health Care and Social Assistance Other Services (except Public Administration)
11	Northern Mariana Islands	CNMI Collateral Support Program	17	$50,000	$1,500,000	$150,000	50.0%	12	7	$308,930	Accommodation and Food Services	Manufacturing	Wholesale Trade
12	Ohio	Small Business Collateral Enhancement	240	$10,000	$5,000,000	$270,000	29.9%	6	6	$407,000	Accommodation and Food Services	Real Estate and Rental and Leasing	Manufacturing
13	U.S. Virgin Islands	Collateral Support	12	$16,000	$823,000	$175,000	45.4%	4	2	$870,000	Accommodation and Food Services Health Care and Social Assistance	Retail Trade Arts, Entertainment, and Recreation	Real Estate and Rental and Leasing Other Services (except Public Administration)
14	Virginia	Cash Collateral Program	79	$12,800	$3,900,000	$350,000	40.0%	4	6	$397,000	Professional, Scientific, and Technical Services	Retail Trade Manufacturing	Other Services (except Public Administration)
15	Washington	Collateral Support Program	3	$803,624	$5,273,099	$1,483,670	20.3%	20	14	$4,608,262	Accommodation and Food Services Real Estate and Rental and Leasing Manufacturing	N/A	N/A
16	West Virginia	West Virginia Collateral Support Program	4	$525,000	$2,152,947	$1,051,500	20.0%	25	18	$2,381,083	Manufacturing	Professional, Scientific, and Technical Services Accommodation and Food Services	N/A
17	Wyoming - Laramie	Credit Guarantee Program	53	$10,000	$13,490,581	$236,371	49.0%	2	2	$392,844	Retail Trade	Mining, Quarrying, and Oil and Gas Extraction	Other Services (except Public Administration) Accommodation and Food Services
		Total	**1,189**	**$4,765**	**$20,000,000**	**$305,000**	**25.0%**	**6**	**6**	**$662,710**	**Manufacturing**	**Retail Trade**	**Accommodation and Food Services**

E. TYPICAL LOAN PARTICIPATION TRANSACTION, by Approved State Program, cumulative through December 31, 2015

				Principal Loan Amount							Top 3 Industries Assisted		
#	Participating State	Approved State Program	# of Loans	Minimum	Maximum	Median	Median % SSBCI Support per Loan	Median Size of Business Supported (FTEs)	Median Age of Business Supported (Years)	Median Revenue of Business Supported	#1	#2	#3
1	Alabama	Alabama Loan Participation Program	5	$318,750	$1,800,000	$1,560,000	10.0%	11	7	$746,000	Other Services (except Public Administration) Accommodation and Food Services Professional, Scientific, and Technical Services Finance and Insurance Health Care and Social Assistance	N/A	N/A
2	Arizona	Arizona Expansion Fund	52	$61,709	$9,319,367	$731,750	28.9%	15	5	$1,091,744	Manufacturing	Construction	Health Care and Social Assistance
3	Arkansas	Bond Guaranty/ Loan Participation Program	14	$50,000	$12,490,000	$3,798,109	9.5%	5	2	$0	Manufacturing	Construction Manufacturing	N/A
3	California	California Property Assessed Clean Energy Program (CalPACE)	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4	Delaware	DSF Participation and Loan Program	32	$24,000	$20,000,000	$279,800	28.1%	5	3	$146,366	Accommodation and Food Services	Retail Trade Other Services (except Public Administration) Manufacturing	Health Care and Social Assistance
5	District of Columbia	DC Loan Participation Program	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6	Florida	Direct Loan Program	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7	Florida	Loan Participation Program	52	$75,000	$15,000,000	$1,141,250	41.2%	4	3	$303,000	Accommodation and Food Services	Real Estate and Rental and Leasing	Health Care and Social Assistance
8	Georgia	Georgia Funding for CDFIs	73	$25,000	$13,200,000	$686,000	25.0%	6	4	$237,666	Accommodation and Food Services	Retail Trade Other Services (except Public Administration)	Professional, Scientific, and Technical Services Manufacturing
9	Georgia	Georgia Loan Participation Program	15	$325,000	$9,029,190	$681,000	18.8%	7	4	$583,271	Health Care and Social Assistance	Accommodation and Food Services	Real Estate and Rental and Leasing
10	Guam	Guam Loan Participation Program	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	Illinois	Conditional Direct Loan Program	1	$3,698,573	$3,698,573	$3,698,573	13.5%	0	10	$0	Accommodation and Food Services	N/A	N/A
12	Illinois	Participation Loan Program	166	$20,000	$8,000,000	$401,946	37.2%	13	7	$1,488,000	Manufacturing	Accommodation and Food Services	Construction
13	Iowa	Iowa Small Business Loan Program	14	$6,000	$50,000	$27,975	7.5%	1	0	$0	Retail Trade	Other Services (except Public Administration) Health Care and Social Assistance	Finance and Insurance Professional, Scientific, and Technical Services Administrative and Support and Waste Management and Remediation Services Accommodation and Food Services Educational Services Information Manufacturing
14	Kansas	Kansas Capital Multiplier Loan Fund	58	$154,000	$12,852,843	$1,490,900	7.7%	8	3	$754,344	Accommodation and Food Services	Manufacturing	Retail Trade
15	Kentucky	Kentucky Loan Participation Program	4	$85,000	$530,147	$370,000	20.0%	6	3	$401,135	Professional, Scientific, and Technical Services Manufacturing Construction Health Care and Social Assistance	N/A	N/A
16	Maine	Economic Recovery Loan Fund	5	$615,000	$7,887,000	$1,900,000	8.8%	14	8	$3,300,000	Health Care and Social Assistance Manufacturing	Wholesale Trade	N/A
17	Maine	Regional Economic Development Revolving Loan	20	$154,000	$9,757,950	$425,000	15.3%	4	4	$205,571	Retail Trade	Health Care and Social Assistance Accommodation and Food Services	Real Estate and Rental and Leasing Other Services (except Public Administration) Manufacturing
18	Maryland	DHCD - Neighborhood Business Works	1	$2,110,000	$2,110,000	$2,110,000	23.5%	2	3	$0	Information	N/A	N/A

#	Participating State	Approved State Program	# of Loans	Principal Loan Amount: Minimum	Principal Loan Amount: Maximum	Principal Loan Amount: Median	Median % SSBCI Support per Loan	Median Size of Business Supported (FTEs)	Median Age of Business Supported (Years)	Median Revenue of Business Supported	Top 3 Industries Assisted: #1	Top 3 Industries Assisted: #2	Top 3 Industries Assisted: #3
		Program											
19	Massachusetts	MBDC Loan Participation	14	$225,000	$3,540,000	$2,150,000	18.6%	35	23	$10,901,500	Wholesale Trade	Retail Trade	Arts, Entertainment, and Recreation Manufacturing
20	Massachusetts	MGCC Loan Participation	69	$50,000	$1,000,000	$250,000	50.0%	22	18	$3,895,000	Manufacturing	Construction	Professional, Scientific, and Technical Services
21	Michigan	Michigan Business Growth Fund/ Loan Participations	33	$75,000	$6,000,000	$1,333,348	49.9%	16	15	$6,037,000	Manufacturing	Information Wholesale Trade Transportation and Warehousing	N/A
22	Minnesota	Emerging Entrepreneurs Fund	130	$4,000	$406,000	$41,000	50.0%	2	3	$155,819	Accommodation and Food Services	Retail Trade	Manufacturing
23	Missouri	Grow Missouri Loan Fund	3	$2,532,711	$7,608,000	$6,820,000	8.9%	22	10	$8,208,000	Manufacturing	Professional, Scientific, and Technical Services	N/A
24	Montana	Loan Participation Program	48	$150,000	$999,900	$445,636	49.6%	10	11	$1,704,500	Retail Trade	Health Care and Social Assistance	Manufacturing
25	Nebraska	Nebraska Progress Loan Fund	18	$15,000	$7,500,000	$498,156	39.2%	3	2	$198,312	Manufacturing	Construction Wholesale Trade Transportation and Warehousing	N/A
26	Nevada	Nevada Microenterprise Initiative	1	$200,000	$200,000	$200,000	50.0%	2	17	$403,398	Finance and Insurance	N/A	N/A
27	New Hampshire	Aid to Local Development Organizations	17	$25,000	$17,100,000	$225,000	80.0%	21	4	$2,696,000	Manufacturing	Accommodation and Food Services Construction	Educational Services Retail Trade Arts, Entertainment, and Recreation
28	New Jersey	New Jersey Direct Loan Program	5	$1,000,000	$6,840,000	$2,484,000	30.9%	14	5	$2,261,543	Professional, Scientific, and Technical Services Finance and Insurance Wholesale Trade Manufacturing Other Services (except Public Administration)	N/A	N/A
29	New Jersey	New Jersey Loan Participation Program	16	$313,500	$8,310,000	$1,038,125	33.3%	19	13	$4,509,849	Real Estate and Rental and Leasing	Retail Trade	Health Care and Social Assistance Manufacturing
30	New Mexico	New Mexico Loan Participation Program	16	$200,000	$7,397,000	$1,336,626	15.2%	8	7	$1,006,154	Health Care and Social Assistance	Wholesale Trade Other Services (except Public Administration) Accommodation and Food Services Manufacturing	Administrative and Support and Waste Management and Remediation Services Mining, Quarrying, and Oil and Gas Extraction Retail Trade
31	North Carolina	North Carolina Loan Participation Program	229	$60,000	$12,293,575	$625,000	15.0%	9	7	$1,137,109	Health Care and Social Assistance	Accommodation and Food Services	Retail Trade
32	North Dakota - Mandan	Loan Participation Program	39	$17,114	$17,600,000	$608,000	25.0%	10	1	$1,353,200	Accommodation and Food Services	Retail Trade	Other Services (except Public Administration)
33	Northern Mariana Islands	CNMI Loan Purchase Participation Program	5	$50,000	$540,671	$80,000	40.0%	4	1	$175,038	Retail Trade Agriculture, Forestry, Fishing and Hunting Wholesale Trade Educational Services Other Services (except Public Administration)	N/A	N/A
34	Oregon	Oregon Business Development Fund	11	$291,750	$4,800,000	$668,200	24.5%	15	2	$1,653,950	Manufacturing	Transportation and Warehousing Professional, Scientific, and Technical Services Wholesale Trade Educational Services Other Services (except Public Administration)	N/A
35	Pennsylvania	Machinery and Equipment Loan Fund	2	$1,426,000	$5,802,580	$3,614,290	48.3%	97	64	$386,445,285	Wholesale Trade Manufacturing	N/A	N/A

				Principal Loan Amount							Top 3 Industries Assisted		
#	Participating State	Approved State Program	# of Loans	Minimum	Maximum	Median	Median % SSBCI Support per Loan	Median Size of Business Supported (FTEs)	Median Age of Business Supported (Years)	Median Revenue of Business Supported	#1	#2	#3
36	Pennsylvania	Pennsylvania Community Development Bank Program	89	$1,000	$6,056,000	$83,500	50.0%	1	1	$0	Accommodation and Food Services	Manufacturing	Retail Trade
37	Pennsylvania	Pennsylvania Economic Development Finance Authority Program	31	$50,000	$12,750,000	$400,000	19.7%	12	6	$695,898	Manufacturing	Accommodation and Food Services	Real Estate and Rental and Leasing Retail Trade Health Care and Social Assistance
38	Puerto Rico	Loan Participation	23	$200,000	$6,800,000	$1,361,642	50.0%	25	9	$3,958,489	Educational Services	Manufacturing	Professional, Scientific, and Technical Services
39	Rhode Island	Small Business Loan Fund	3	$300,000	$4,530,000	$615,000	8.1%	9	9	$516,925	Health Care and Social Assistance Professional, Scientific, and Technical Services Manufacturing	N/A	N/A
40	South Carolina	South Carolina Loan Participation Program	127	$114,000	$4,950,000	$630,000	23.1%	10	8	$1,200,000	Health Care and Social Assistance	Professional, Scientific, and Technical Services	Retail Trade
41	South Dakota	South Dakota Works Loan Program	16	$283,000	$17,000,000	$1,250,000	17.7%	47	7	$4,343,476	Manufacturing	Health Care and Social Assistance Retail Trade	Other Services (except Public Administration) Construction Professional, Scientific, and Technical Services Public Administration Wholesale Trade Information Arts, Entertainment, and Recreation Accommodation and Food Services
42	Utah	Utah Small Business Loan Participation Program	4	$120,000	$2,520,000	$457,500	37.5%	15	9	$2,782,862	Real Estate and Rental and Leasing Manufacturing Educational Services Information	N/A	N/A
43	Vermont	Commercial Participation Program	60	$50,911	$20,000,000	$809,150	10.0%	32	17	$7,365,519	Manufacturing	Accommodation and Food Services	Wholesale Trade
44	Vermont	Small Business Participation Program	105	$22,101	$2,580,000	$368,600	10.0%	4	9	$523,629	Manufacturing	Accommodation and Food Services	Retail Trade
45	Virginia	Economic Development Loan Fund	1	$3,000,000	$3,000,000	$3,000,000	16.7%	65	5	$8,500,000	Manufacturing	N/A	N/A
46	Washington	Craft3 Fund	45	$32,217	$5,000,000	$692,000	12.5%	18	12	$3,783,776	Manufacturing	Construction	Wholesale Trade Accommodation and Food Services
47	West Virginia	Subordinated Debt Program	18	$40,000	$7,500,000	$668,000	33.3%	6	2	$224,657	Health Care and Social Assistance	Accommodation and Food Services	Arts, Entertainment, and Recreation Retail Trade
		Total	**1,690**	**$1,000**	**$20,000,000**	**$495,000**	**24.5%**	**8**	**6**	**$893,597**	**Manufacturing**	**Accommodation and Food Services**	**Health Care and Social Assistance**

F. TYPICAL VENTURE CAPITAL TRANSACTION, by Approved State Program, cumulative through December 31, 2015

				Principal Investment Amount							Top 3 Industries Assisted		
#	Participating State	Approved State Program	# Investments	Minimum	Maximum	Median	Median % SSBCI Support per Investment	Median Size of Business Supported (FTEs)	Median Age of Business Supported (Years)	Median Revenue of Business Supported	#1	#2	#3
1	Alaska - Anchorage	49th State Venture Fund	8	$30,000	$2,400,000	$189,750	50.0%	5	1	$0	Professional, Scientific, and Technical Services Manufacturing	Wholesale Trade Retail Trade Agriculture, Forestry, Fishing and Hunting Information	N/A
2	American Samoa	American Samoa Venture Fund	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3	Arkansas	Arkansas Development Finance Authority Co-investment Fund	13	$93,750	$4,500,000	$1,000,000	20.0%	11	3	$352,598	Manufacturing	Information	Professional, Scientific, and Technical Services
4	Arkansas	Risk Capital Matching Fund	13	$125,000	$5,000,000	$900,000	19.4%	8	4	$537,600	Professional, Scientific, and Technical Services	Retail Trade Information	N/A
5	Arkansas	Seed and Angel Capital Network	94	$15,000	$1,375,000	$87,500	13.8%	2	0	$3,500	Professional, Scientific, and Technical Services	Information	Retail Trade
6	Connecticut	Seed and Early Stage Investment Fund (SESIF)	10	$250,009	$10,000,000	$3,170,580	21.7%	13	6	$98,000	Professional, Scientific, and Technical Services	Wholesale Trade Retail Trade	Information Administrative and Support and Waste Management and Remediation Services Manufacturing
7	District of Columbia	Innovation Finance Program	1	$130,000	$130,000	$130,000	38.5%	8	1	$444,929	Retail Trade	N/A	N/A
8	Florida	Florida Venture Capital Program	44	$100,000	$17,000,000	$820,658	32.5%	13	5	$505,000	Information	Manufacturing	Finance and Insurance
9	Hawaii	HSDC Venture Capital Investment Program	77	$10,000	$15,000,000	$20,000	50.0%	3	0	$0	Information	Wholesale Trade Retail Trade Professional, Scientific, and Technical Services	Manufacturing
10	Illinois	Venture Capital Program	24	$162,500	$5,400,000	$1,622,355	19.9%	4	3	$0	Professional, Scientific, and Technical Services	Manufacturing	Information
11	Indiana	State Venture Capital Program	77	$40,000	$5,136,000	$325,000	49.9%	6	3	$140,650	Professional, Scientific, and Technical Services	Information	Manufacturing
12	Iowa	Iowa Demonstration Fund Program	23	$200,000	$2,000,000	$600,000	50.0%	7	4	$350,000	Manufacturing	Information Professional, Scientific, and Technical Services	Educational Services Wholesale Trade Retail Trade
13	Kansas	Kansas Capital Multiplier Venture Fund	23	$310,000	$7,634,999	$2,345,000	7.6%	5	2	$0	Manufacturing	Professional, Scientific, and Technical Services	Information
14	Kentucky	Kentucky Venture Capital Program	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
15	Louisiana	Louisiana Seed Capital Program	25	$25,000	$5,300,000	$200,000	25.0%	3	2	$4,123	Information	Professional, Scientific, and Technical Services	Manufacturing
16	Maine	Small Enterprise Growth Fund	18	$100,000	$2,500,000	$590,000	19.5%	19	4	$796,000	Professional, Scientific, and Technical Services	Manufacturing	Construction
17	Maryland	Maryland Venture Fund IV	22	$475,000	$16,800,000	$3,543,304	5.6%	19	5	$673,391	Professional, Scientific, and Technical Services	Manufacturing	Information
18	Michigan	Small Business Mezzanine Fund	6	$273,836	$3,700,000	$1,077,500	20.0%	21	4	$8,178,659	Manufacturing	Information	N/A
19	Minnesota	Angel Loan Fund	17	$302,500	$3,750,000	$2,040,326	9.1%	4	4	$155,000	Manufacturing	Professional, Scientific, and Technical Services	Wholesale Trade

				Principal Investment Amount							Top 3 Industries Assisted		
#	Participating State	Approved State Program	# Investments	Minimum	Maximum	Median	Median % SSBCI Support per Investment	Median Size of Business Supported (FTEs)	Median Age of Business Supported (Years)	Median Revenue of Business Supported	#1	#2	#3
20	Missouri	Missouri IDEA Fund	84	$37,718	$8,158,170	$500,000	46.0%	2	3	$0	Professional, Scientific, and Technical Services	Manufacturing	Information
21	Nebraska	Nebraska Progress Seed Fund	28	$20,000	$2,500,000	$20,000	50.0%	3	0	$0	Professional, Scientific, and Technical Services	Information	Manufacturing
22	Nevada	Battle Born Growth Escalator (BBGE)	5	$500,000	$4,000,000	$1,265,000	25.2%	8	2	$338,000	Information	Professional, Scientific, and Technical Services Administrative and Support and Waste Management and Remediation Services Health Care and Social Assistance	N/A
23	New Hampshire	Venture Capital Fund	14	$101,373	$12,160,000	$2,667,502	4.1%	10	2	$0	Professional, Scientific, and Technical Services	Information	N/A
24	New Jersey	New Jersey Venture Capital Fund Program	39	$50,000	$1,900,000	$250,000	41.1%	22	2	$917,954	Information	Professional, Scientific, and Technical Services	Retail Trade
25	New York	Innovate New York Fund	149	$13,490	$12,000,000	$750,000	22.3%	5	3	$109,273	Information	Manufacturing	Professional, Scientific, and Technical Services
26	North Carolina	North Carolina Venture Capital Fund-of-Funds Program	75	$39,500	$11,500,000	$722,132	8.8%	4	4	$131,971	Professional, Scientific, and Technical Services	Manufacturing	Information
27	North Dakota - Carrington	Seed Capital Network Program	1	$850,000	$850,000	$850,000	14.7%	1	6	$49,496	Wholesale Trade	N/A	N/A
28	Ohio	Targeted Investment Program	7	$1,085,999	$4,187,450	$2,000,000	50.0%	11	5	$371,123	Manufacturing	Information	Wholesale Trade Retail Trade
29	Oklahoma	Accelerate Oklahoma Fund	45	$80,000	$2,330,000	$615,000	42.9%	3	3	$6,896	Professional, Scientific, and Technical Services	Manufacturing	Health Care and Social Assistance
30	Pennsylvania	Ben Franklin Technology Partners and Life Sciences Greenhouse Partners	34	$60,000	$3,750,000	$303,422	25.7%	3	4	$0	Professional, Scientific, and Technical Services	Manufacturing	Information
31	Puerto Rico	Venture Capital	1	$9,050,000	$9,050,000	$9,050,000	11.0%	101	1	$41,540,734	Transportation and Warehousing	N/A	N/A
32	Rhode Island	Betaspring	54	$52,000	$74,545	$60,128	64.8%	2	0	$0	Information	Professional, Scientific, and Technical Services	Manufacturing
33	Rhode Island	Slater Technology Fund	14	$100,000	$11,500,000	$645,000	22.8%	4	4	$22,771	Manufacturing	Professional, Scientific, and Technical Services	Information Utilities
34	Tennessee	INCITE Fund	83	$32,000	$6,534,061	$900,000	31.4%	7	3	$328,985	Information	Professional, Scientific, and Technical Services	Manufacturing
35	Texas	Jobs for Texas-Venture Capital	42	$100,000	$20,000,000	$3,500,000	25.0%	9	6	$262,331	Information	Professional, Scientific, and Technical Services	Manufacturing
36	Utah	Equity Investment Program	4	$850,000	$4,975,000	$940,785	27.2%	17	2	$702,685	Information	Professional, Scientific, and Technical Services Finance and Insurance	N/A
37	Virginia	Center for Innovative Technology (CIT) GAP Fund	29	$88,335	$9,600,000	$355,000	25.0%	6	2	$29,000	Information	Professional, Scientific, and Technical Services	Retail Trade Manufacturing
38	Washington	W Fund	21	$35,000	$2,500,000	$500,000	75.0%	3	1	$0	Professional, Scientific, and Technical Services Manufacturing	Information	Mining, Quarrying, and Oil and Gas Extraction
39	West Virginia	Seed Capital Co-investment Fund	30	$75,000	$3,230,000	$280,000	50.0%	4	6	$784,810	Manufacturing	Professional, Scientific, and Technical Services	Construction

#	Participating State	Approved State Program	# Investments	Principal Investment Amount Minimum	Maximum	Median	Median % SSBCI Support per Investment	Median Size of Business Supported (FTEs)	Median Age of Business Supported (Years)	Median Revenue of Business Supported	Top 3 Industries Assisted #1	#2	#3
40	Wisconsin	Wisconsin Equity Fund	59	$54,246	$4,000,000	$600,000	23.3%	8	3	$156,000	Manufacturing	Professional, Scientific, and Technical Services	Information
41	Wyoming - Laramie	Seed Capital Network Program	11	$20,400	$200,000	$73,000	50.0%	0	3	$0	Retail Trade	N/A	N/A
		Total	**1,324**	**$10,000**	**$20,000,000**	**$500,000**	**28.0%**	**5**	**2**	**$27,831**	**Professional, Scientific, and Technical Services**	**Information**	**Manufacturing**

PROGRAM EVALUATION OF THE US DEPARTMENT OF TREASURY
STATE SMALL BUSINESS CREDIT INITIATIVE

OCTOBER 2016

PREPARED BY

CENTER FOR REGIONAL ECONOMIC COMPETITIVENESS

CROMWELL SCHMISSEUR