



# News Release

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## ***SBA Loan Guarantees Maintain Record-Breaking Trend in FY2007; Approved \$20.6 billion in 110,000 Small Business Loans***

**WASHINGTON** – The U.S. Small Business Administration posted record-breaking loan numbers again in FY 2007, expanding access to capital to thousands of entrepreneurs across America. SBA set records for both the combined number and dollar volume of loans, and increased loans to small businesses in underserved areas by more than 5.5 percent.

SBA approved 110,275 loans totaling more than \$20.6 billion under its two primary small business loan programs during the 12 months ending on Sept. 30 2007, compared with 107,233 loans worth \$20.25 billion in 2006. With the strong results in 2007, the combined outstanding loan balances in the 7(a) and 504 loan programs increased 6.5 percent to \$66.7 billion. The total does not include an additional \$2.65 billion in venture capital funding provided by SBA-licensed Small Business Investment Companies to more than 2,000 small businesses.

“We play an increasingly vital role in enabling small businesses across the country to get the capital they need to start and grow their businesses, create jobs and build their communities, and we do it through programs that operate without a taxpayer subsidy,” said Administrator Steve Preston. “This progress reflects the strength of our relationships with our lending and resource partners, who have been essential in providing record numbers of small business loans in each of the last six years.”

Although SBA does not make direct loans to small businesses, the agency’s use of its guaranty authority enables commercial lenders and Certified Development Companies to make loans to small businesses they otherwise would not have made.

Both primary loan programs combined set records this year. The 7(a) loan guaranty program – most often used for working capital – increased the number of loans from 97,290 in FY 2006 to 99,607 loans in FY 2007, although the dollar volume declined slightly from \$14.52 billion to \$14.29 billion. The Certified Development Company – or 504 – program, for the purchase of real estate and fixed assets, provided 10,668 loans worth \$6.31 billion, up from the 9,943 loans worth \$5.73 billion in FY 2006.

Nearly a third of all loans went to start-ups, and a third went to minority borrowers. In fact, loans to minority groups increased by 7 percent, with the largest increase coming in loans to African Americans, which increased by 23 percent, from 7,238 to 8,903. Smaller volume increases were recorded to business owned by Asian Americans, Native Americans and women, while loans to Hispanics declined slightly. Overall, loans to businesses in underserved areas amounted to more than 36 percent of total loan approvals.

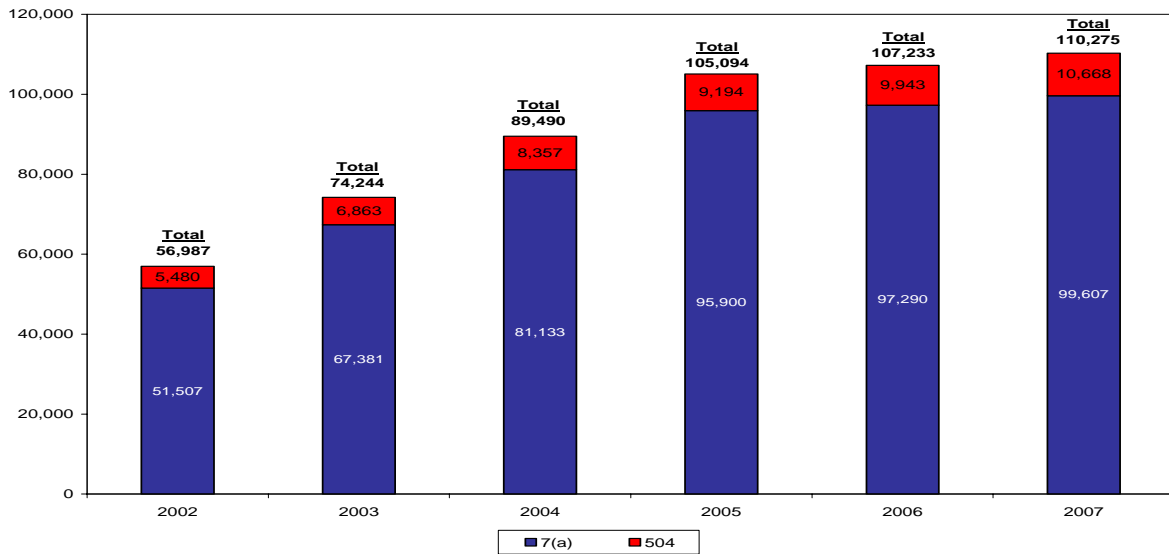
“We have made substantial progress in our ability to deliver loans to small businesses in underserved communities,” Preston said. “SBA lending in designated Enterprise Zones, HUBZones and Low and Moderate Income areas increased by better than 5 percent, more than

twice the increase in lending overall. We remain absolutely committed to enabling small business success, particularly in underserved markets and those areas hard hit by disasters.”

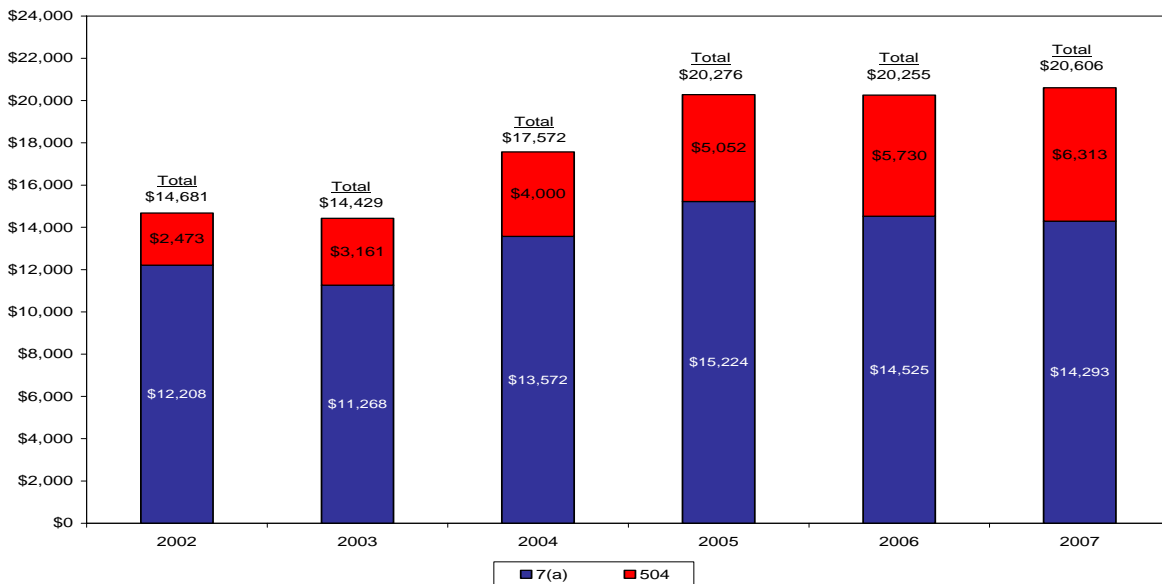
The SBA’s loan programs have been setting records for six consecutive years, and have more than doubled since fiscal 2000, from 48,313 to 110,275. During this period, SBA has approved more than 555,000 loans worth more than \$107 billion to American small businesses, more than in the previous 10 years combined. Over this time, the agency’s total small business loan portfolio has grown to \$66.7 billion, compared to \$45.9 billion at the end of FY 2002 and \$62.6 billion a year ago.

For more information on how to get an SBA loan, visit [www.sba.gov](http://www.sba.gov).

### 7(a) and 504 Loans Approved (Gross) (Number of loans)



### 7(a) and 504 Loans Approved (Gross) (\$ in million)



## Total Portfolio of 7(a) and 504 Programs (\$ in million)

