



News Release

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SBA Loan Queue Cleared One Week after Signing of Jobs Act

Agency approves nearly \$970 million in loans to small businesses

WASHINGTON – All of the loan applications placed in the U.S. Small Business Administration’s loan queue by small business borrowers have received final approval, SBA Administrator Karen Mills announced today. The approvals, which were completed Monday, amount to 1,939 loans for nearly \$970 million.

Final approval follows President Obama’s signing of the Small Business Jobs Act of 2010 on Sept. 27, which provided funding for the extension of increased guarantees and reduced fees in SBA’s two largest loan programs. Small business owners have been waiting for additional funding and putting applications in the queue since the end of May, when authority for higher loan guarantees expired, and – soon after – previous Recovery loan funding was exhausted.

Of the approvals in the queue, SBA approved more than \$586 million through 1,273 new loans with funds provided by the Small Business Jobs Act, and 666 loans for more than \$383 million with earlier funding that became available after cancellations of applications that had been approved previously under Recovery Act loan terms, most because they had been withdrawn by the applicants.

“Enhancements first made under the Recovery Act have made SBA-backed loans a key source of much-needed capital for tens of thousands of small business owners, helping them not just keep their doors open, but also grow and create jobs all across the country,” Mills said. “Beginning in May, we saw the SBA loan queue begin to grow, which was evidence of both the continued need for these tools and the challenges small business owners face in getting loans.

“Within days of the President’s signature, the authority and the funding provided in the Small Business Jobs Act have allowed us to clear out our loan queue and begin getting capital in the hands of the more than 1,900 small business owners who had been waiting, some for most of the summer,” Mills said.

Mills pointed out that the Small Business Jobs Act will support an estimated \$14 billion in lending with only \$505 million in taxpayer funds, including many of the loans approved from the queue.

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The loan enhancements for SBA-backed financing were key incentives in helping revive the availability of capital for small businesses after the credit crunch in late 2008 and early 2009. The increased guarantees and reduced fees in SBA's two largest lending programs sparked a significant turnaround in SBA lending and have been instrumental in helping jump-start the economy for small businesses.

From the passage of the Recovery Act in February 2009 through the end of September, these incentives for borrowers and lenders helped support nearly \$30 billion in SBA-backed loans to nearly 70,000 small businesses.

The SBA re-opened its loan queue in May, when funding for the incentives was nearly exhausted. Small business loan applicants who wanted the benefits of the incentives could choose to place their loan in the queue to await funding from either an extension of the enhancements by Congress or funds coming available as a result of cancellations of previously approved Recovery loans.

By the time President Obama signed the Small Business Jobs Act on Sept. 27, more than 1,400 "conditionally" approved small business loan applications were in the queue's waiting list, with more than 500 more choosing to go into the queue by Oct. 1. With funds provided in the Small Business Jobs Act, SBA began making "final" approval of remaining loans in the queue on Oct. 1.

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