Underserved Lending Performance Report: FY2015

U.S. Small Business Administration
Office of Economic Opportunity

OFN Conference and Annual Meeting
November 2015

Office of Economic Opportunity
"Building Success in Underserved Markets"

OEO Programs: FY15 Highlights

Of 204 OEO Lenders, 143 Lenders made at least 5 loans

Program	Approved Loans	Approved Dollars	Average Loan Size
Microloan Program	3626	$51,023,262	$14,071
Intermediary Lending Pilot (ILP) Program	97	$7,796,834	$80,379
Community Advantage (CA) Pilot Program	828	$103,516,100	$125,019
Totals	4551	$162,336,196	

Microloan Program

- 140 Microlenders made at least 1 microloan in 2015
- Microlenders closed loans at a rate of $1.51 for every $1.00 of SBA funds approved in FY15
- **7** new Microlenders approved in 2015

Community Advantage

- 61 (out of 100) CA Lenders made at least 1 loan in 2015, a **35%** increase in participation from FY14
- Loan Volume in FY15 increased by 83% over FY14

ILP

- $34 million has been deployed to Intermediaries by end of FY15 and $38 million in loans were made to small businesses since inception (FY11)
- Program no longer has authority to add new program participants or loan additional capital*

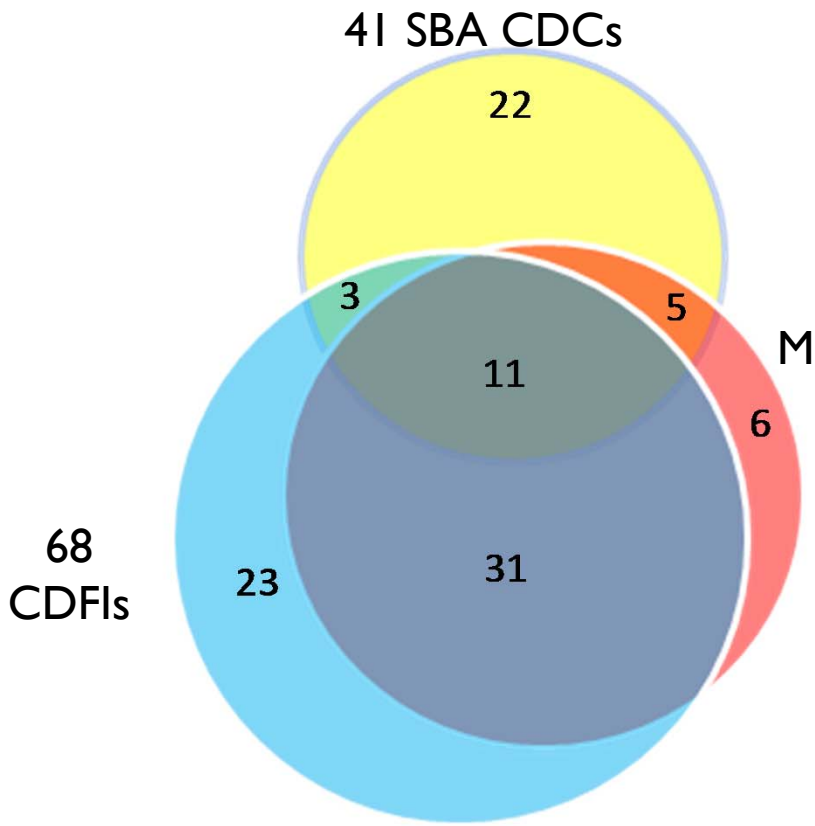
*Under Congressional Review

Top 25 OEO Lenders by Number of Loans, FY2015

	Lender	OEO Programs	# Loans Approved /Closed	$ Loan Approvals /Closed
1	Justine Petersen Housing & Reinvestment Corporation	CA, Micro	368	$1,613,554
2	Business Center for New Americans	Micro	266	$1,035,000
3	Economic and Community Development Institute	Micro	218	$1,571,391
4	Finanta	Micro	185	$1,624,400
5	LiftFund, Inc.	CA, Micro	139	$6,676,688
6	Oregon Assoc. of Minority Entrepreneurs Credit Corp.	Micro	131	$1,075,530
7	CDC Small Business Finance Corp.	CA, Micro	122	$11,729,075
8	Valley Economic Development Corporation	CA, Micro	122	$9,733,416
9	Accion East dba ACCION USA, Inc.	Micro	105	$1,173,452
10	Rural Enterprise Assistance Proj-Ctr for Rural Affairs	Micro	97	$679,575
11	Flagship Enterprise Center, Inc.	Micro	90	$2,950,002
12	Wisconsin Women's Business Initiative Corporation	CA, Micro	88	$5,076,597
13	Renaissance Economic Development Corporation	Micro	76	$1,662,695
14	Cooperative Business Assistance Corporation	CA, Micro	73	$1,744,298
15	PeopleFund	CA, Micro	68	$4,304,953
16	Community Ventures Corporation	Micro	67	$420,820
17	Northeast Entrepreneur Fund, Inc.	Micro	64	$672,068
18	OBDC Small Business Finance	CA, Micro	63	$7,378,600
19	Trenton Regional Business Assistance Corp.	CA, Micro	61	$5,190,567
20	ECDC Enterprise Development Group	Micro	60	$1,313,422
21	Union County Economic Development Corporation	CA, Micro	58	$1,604,294
22	Empire State Certified Develop	CA, Micro	54	$7,635,900
23	North Carolina Minority Support Center	CA	54	$6,031,400
24	BOC Capital Corporation	Micro	51	$407,051
25	Mountain Bizcapital, Inc.	CA	48	$964,750

Community Advantage Program

WHO ARE APPROVED CA LENDERS?



FEBRUARY 2011 – September 30, 2015

- **100 CA Lenders approved nationwide**
  - 53 SBA Microlenders
  - 41 SBA CDCs
  - 68 Treasury-certified CDFIs
  - 3 CA Lenders with "Nationwide" lending authority
  - 38 Lenders authorized to sell on the Secondary Market
  - 50 CA Lenders are tentatively eligible for delegated lending status, of these 10 have been granted full delegated status
- **1,757 CA Loans approved for $225 MM**
  - 83% of loans in urban areas
  - 17% of loans in rural areas
  - Average loan size = $128,385 (and falling!!!)
  - Top Use of Proceeds = Inventory/ Working Capital (41%)

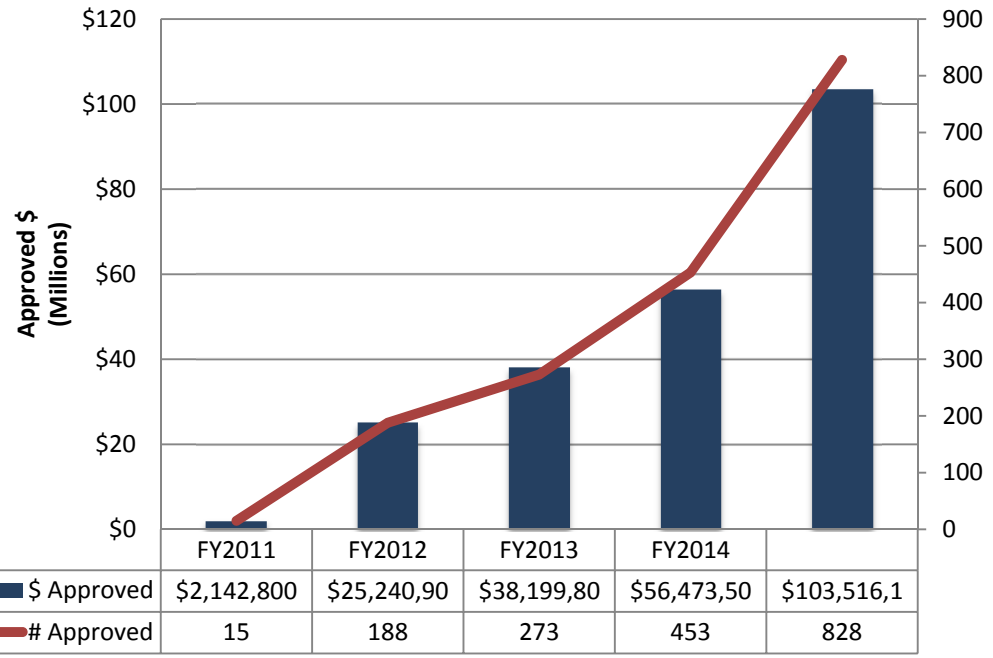
Community Advantage Program: FY2015

HIGHLIGHTS

- **14 new** lenders approved in FY15
- **83%** increase in the number of CA loans made in 2014 vs 2013

SBA Region Performance	# Approved	$ Approved
1(CT,MA,ME,NH,RI,VT)	28	4,282,400
2(NJ,NY,PR)	94	12,860,900
3(DC,DE,MD,PA,VA,WV)	31	4,498,500
4(AL,FL,GA,KY,MS,NC,SC,TN)	96	11,504,900
5(IL,IN,MI,MN,OH,WI)	175	21,719,500
6(AR,LA,NM,OK,TX)	110	10,970,000
8(CO,MT,ND,SD,UT,WY)	28	4,841,200
9(AZ,CA,GU,HI,NV)	251	30,322,500
10(AK,ID,OR,WA)	16	2,536,200
Grand Total	**829**	**103,536,100**

CA Loan Approval Activity



	FY2011	FY2012	FY2013	FY2014	
$ Approved	$2,142,800	$25,240,90	$38,199,80	$56,473,50	$103,516,1
# Approved	15	188	273	453	828

Top NAICS Codes	# Approved	$ Approved	% of Total
Accommodation & Food Services	168	$23,531,000	23%
Manufacturing	100	$13,741,200	13%
Retail Trade	124	$15,409,200	15%
Prof, Scientific, & Tech Svcs	78	$8,157,700	8%
Other Services	62	$6,880,600	7%

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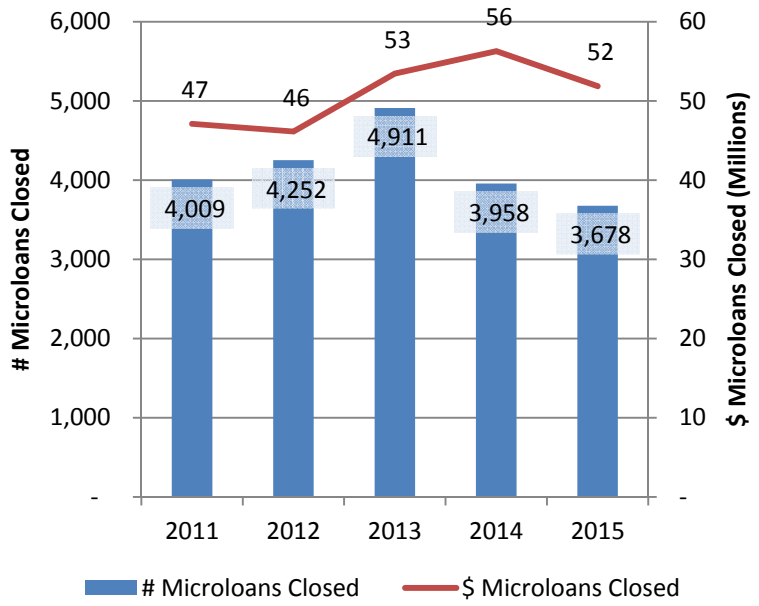
Community Advantage Program: FY2015

Top 10 CA Lenders by # Loans	# Approved	$ Approved
CDC Small Business Finance Corp.	93	$10,765,400
Valley Economic Development Corporation	65	$8,870,000
OBDC Small Business Finance	57	$7,108,600
LiftFund, Inc.	56	$6,004,200
Empire State Certified Develop	54	$7,635,900
North Carolina Minority Support Center	54	$6,031,400
PeopleFund	49	$4,004,800
Wisconsin Women's Business Initiative Corporation	46	$4,075,800
Growth Capital Corp.	41	$5,767,200
Trenton Regional Business Assistance Corp.	33	$4,347,000

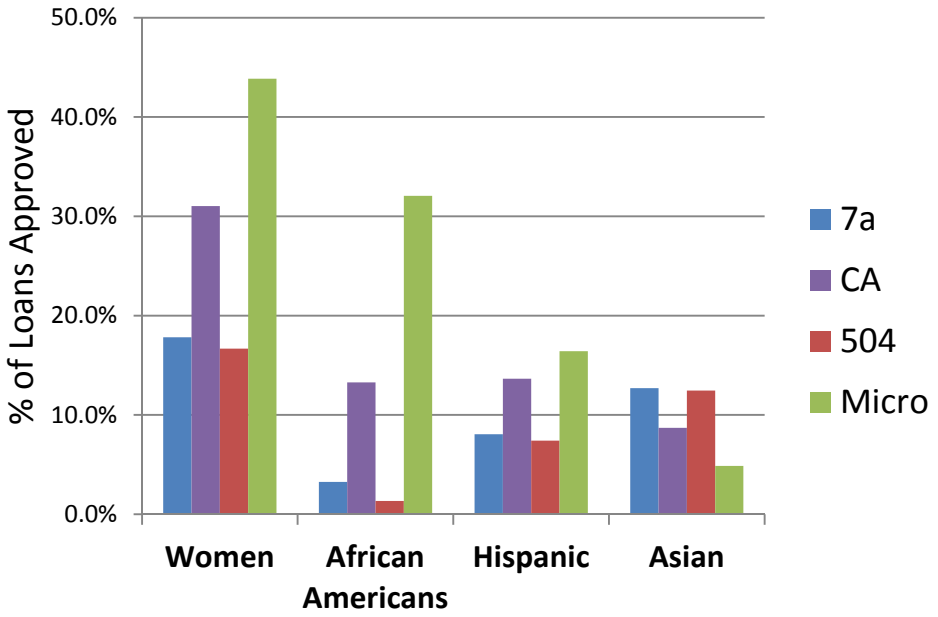
Microloan Program

- Since inception, Intermediaries loaned **$721.9 million, to 59,304 small businesses**; creating or retaining more than **211,749 jobs**

Microloan Activity: Loan Dollars vs Volume



Lending by Demographics, FY 2015



- Microloan Final Rule – Loans to Associates on parole or probation now eligible

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Microloan Program: FY2015

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Flagship Enterprise Center, Inc.	83	$1,693,002
LiftFund, Inc.	83	$672,488
Renaissance Economic Development Corporation	76	$1,662,695

ILP Program: Overall Summary

- 36 Participating ILP Intermediaries
- Each Intermediary received a $1 million SBA Loan to make loans of $200,000 or less to eligible small businesses
  - $34 million has been disbursed to ILP Intermediaries
  - $37 million has been deployed to small businesses, thus far
- Program no longer has authority to add new program participants or loan additional capital*

ILP Intermediary Loan Activity		
Year	**# ILP Loans**	**$ ILP Loans**
FY2011	1	$200,000
FY2012	94	$7,134,984
FY2013	139	$13,077,716
FY2014	102	$8,792,654
FY2015	97	$7,796,834
TOTALS	***336***	***$37,002,188***

Relending requirement will ensure funds are continually revolved over the 20 year term of the SBA Loans

** Under Congressional Review*

PRIME

Track 1 – max grant $150,000

Training & TA to disadvantaged entrepreneurs

Track 2 – max grant $250,000

Training & TA to microenterprise development organizations (Capacity Building grant)

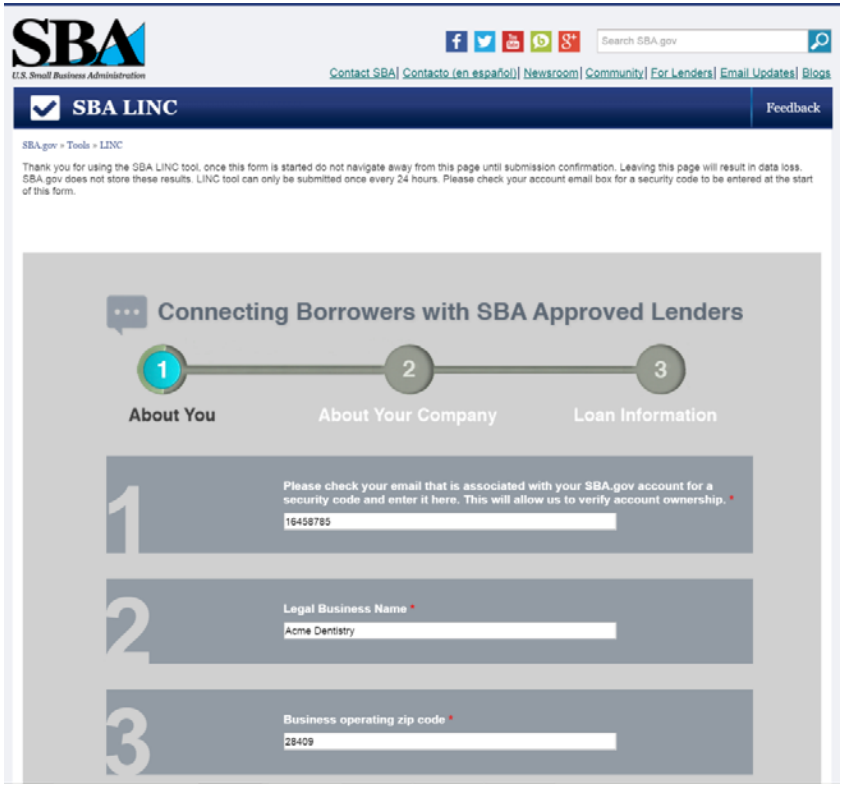
FY15: Awarded $5 million

FY16: TBD; Will post at **www.Grants.gov**

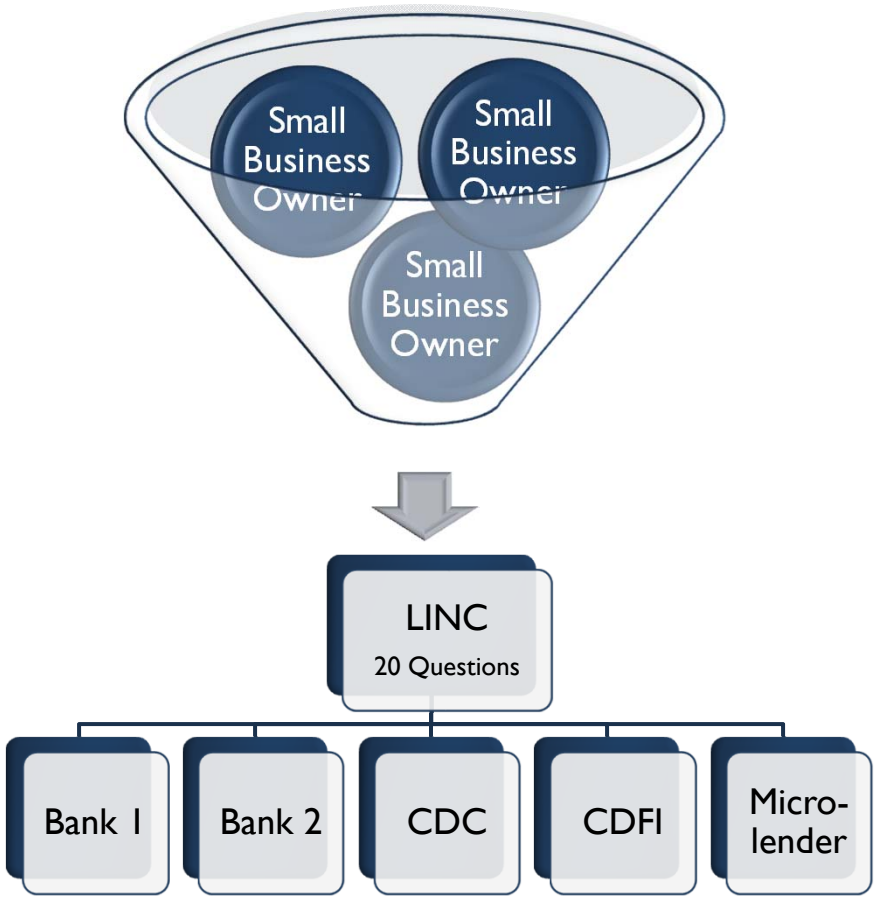
Eligible applicants: **Non-profit** microenterprise development organizations & Intermediaries with record of delivering services to disadvantaged entrepreneurs

LINC (Leveraging Information & Networks to access Capital)

The borrower enters basic business information into SBA's online LINC tool…



…That information is passed through to SBA lenders



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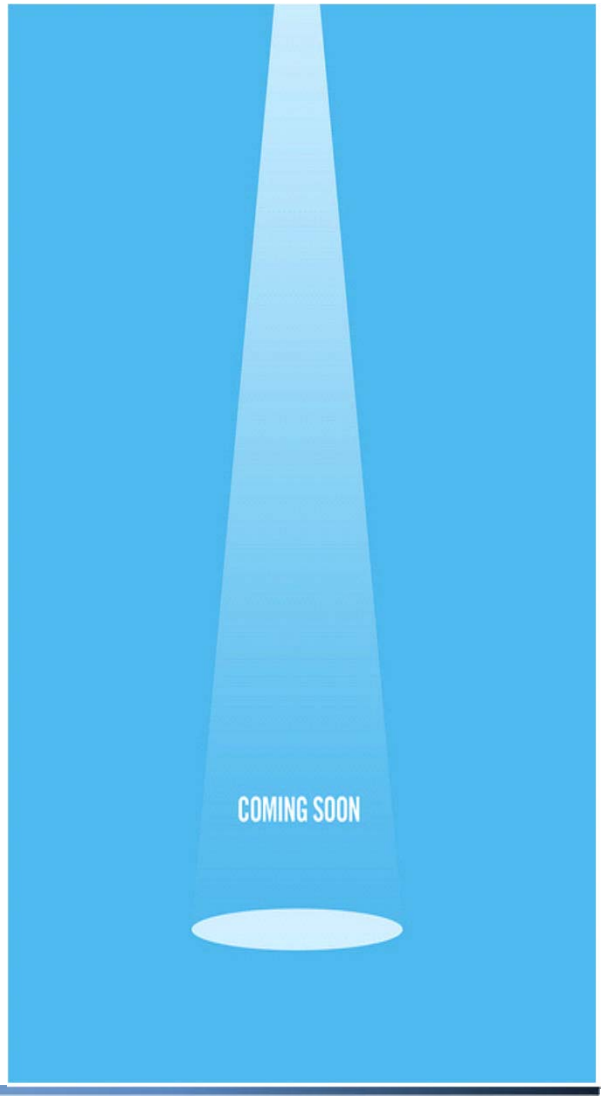
SWOT

- Simplicity
  - Documentation
  - SBA One
- Predictablilty – Extension Job #1
- Return- "No mission without Margin"
  - Fees - Microloan
  - Spread - CA
- Expansion
  - Rule Revision - All CDFIs, multiple license, Co-ops
  - Loan Participations
  - Unique Brand – "Opportunity Network℠"
  - Network Conferences – Best Practices, Funder Leverage

Looking Ahead: FY 2016

- Policy Enhancements??? – CA 4.0
- Training series – Ex-prison population
- SBA One for Community Advantage
- LINC v 2.0 and beyond
- Monthly OEO Webinar Call – 4th Wednesday of each month
  - communityadvantage@sba.gov

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