



Fact Sheet

1. What is the mission of SSBCI?

The mission of the State Small Business Credit Initiative (SSBCI) is to increase the availability of credit for small businesses, and to generate jobs and other economic development benefits in every state. SSBCI accomplishes its mission by funding state programs that promote lending and investment in small businesses. Our priorities are:

- To provide direct funding to states for (1) state capital access programs (CAP) and (2) other credit support programs (OCSP), designed to increase access to credit for small businesses. Treasury has allocated almost \$1.5 billion across the 50 states, the District of Columbia, and the territories.
- To maximize state participation and to encourage the greatest possible participation from private-sector lenders and investors. Our goal is to promote the greatest efficiency and program impact through states, banks and private-sector investors.

2. What state programs are eligible?

- Capital Access Programs: Under CAPs, the bank and the borrower each pay an up-front insurance premium, typically between 3% and 7% of the loan amount at the bank's discretion, which goes into a reserve fund held at the originating bank. The state matches the combined bank and borrower contribution with a state contribution into the same reserve fund. In a CAP, a lending bank uses its own underwriting standards for eligible loans without governmental approval of the loan-making decision. The CAP reserve fund induces a lending bank to make riskier loans, with the protection of the reserve fund for its entire pool of CAP loans. Treasury estimates that 22 states and the District of Columbia currently have qualifying CAP programs.
- Other Credit Support Programs: These programs vary from state-to-state and include loan participation programs, credit guarantee programs, state-run venture capital fund programs, and collateral support programs. Treasury believes every state currently has a qualifying OCSP.

3. What are the SSBCI accomplishments to date?

The program officially launched on October 8, 2010, when Treasury announced individual SSBCI funding allocations for all 50 states, the District of Columbia, and the territories.

On December 20, 2010, Treasury posted policy guidelines and application materials on its website: <http://www.treasury.gov/resource-center/sb-programs/Pages/ssbci.aspx>. A hotline (202-622-0713) and email question line (SSBCIquestions@treasury.gov) opened on the same date.

- Almost every state, territory and the District of Columbia has submitted a notice of intent to apply for SSBCI funds.
- The first application was received on December 22, 2011 and the first award made on January 14, 2011.
- Treasury made awards to Michigan and North Carolina, and two more applications are pending.
- Program Director Cliff Kellogg was appointed on January 31, 2011.

4. What is the process for applying for funds?

A State that establishes a new, or has an existing State CAP or Other Credit Support Program that meet the eligibility criteria may apply to the Treasury for SSBCI funds.

Applications are available on the SSBCI website: <http://www.treasury.gov/resource-center/sb-programs/Pages/ssbci.aspx>. States can download the application and attachments from the website and email the completed documents to Treasury. Treasury must receive completed applications no later than 5:00 PM ET on June 27, 2011.

The Department of Treasury will continue an active outreach campaign to encourage participation.