

\$33.6 Million increase in small business lending

Written by
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WASHINGTON – Recently, the U.S. Department of the Treasury released a report showing that Minnesota banks have increased their small business lending by \$33.6 million since receiving capital through Small Business Lending Fund (SBLF). The SBLF, which was established as part of the Small Business Jobs Act that President Obama signed into law, encourages community banks to increase their lending to small businesses to help them grow and create new jobs. Treasury invested more than \$4 billion in 332 institutions, located in over 3,000 communities in 48 states, through the SBLF. Nationwide, institutions participating in the SBLF significantly increased small business lending in the last quarter of 2011 by \$1.3 billion over the prior quarter—for a total of \$4.8 billion over their baseline.

“This report shows that the Small Business Lending Fund is having a powerful impact,” said Deputy Secretary of the Treasury Neal Wolin. “The program is helping spark new lending to local entrepreneurs looking to invest in their businesses and create new jobs.”

To view the report on the SBLF that Treasury released, including a detailed list of the change in lending at banks receiving SBLF capital, go to http://www.treasury.gov/resource-center/sb-programs/Pages/sblf_transactions.aspx.

Small businesses play a critical role in the U.S. economy and are central to growth and job creation. Small businesses employ roughly one-half of all Americans and account for about 60 percent of gross job creation. But small business owners faced disproportionate challenges in the aftermath of the recession and credit crisis, including difficulty accessing capital.

The SBLF helps small businesses meet this challenge by providing capital to community banks that hold under \$10 billion in assets. The dividend rate a community bank pays on SBLF funding is reduced as that bank increases its small business lending, providing a strong incentive for new lending to small businesses so they can expand and create jobs. For more details on the SBLF program, go to <http://www.treasury.gov/resource-center/sb-programs/Pages/Small-Business-Lending-Fund.aspx>.

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The SBLF is one part of the Obama Administration's comprehensive agenda to help small businesses access the capital they need to invest and hire. The State Small Business Credit Initiative (SSBCI), which is also a key part of the Small Business Jobs Act, has allocated \$1.4 billion to small business programs in 54 states, territories, and municipalities to help spur additional lending to small businesses and manufacturers.

President Obama also signed the Jumpstart Our Business Startups (JOBS) Act into law, which will allow Main Street small businesses and high-growth enterprises to raise capital from investors more efficiently, helping small and young firms across the country to grow and hire faster. For more details on the key elements of the JOBS Act, please visit <http://www.whitehouse.gov/the-press-office/2012/04/05/president-obama-sign-jumpstart-our-business-startups-jobs-act> and <http://www.whitehouse.gov/blog/2012/04/05/jobs-act-encouraging-startups-supporting-small-businesses>.