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July 15, 2004
Immediate Release

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SBA loan guaranty approvals increase 39 percent at the 3rd quarter mark

Miami, Fla. – The federally-backed capital that is keeping small business in business in South Florida jumped by 39 percent over last year's mark during the first three quarters of the fiscal year 2004. The fiscal year began Oct. 1, 2003 and will end Sept. 30, 2004.

Loan guaranties approved by the U.S. Small Business Administration's South Florida District Office totaled 3,020 in FY 2004, up from 2,173 in FY 2003.

The agency's financial assistance programs leveraged \$453.1 million in small business loans through commercial lenders. Intermediary microlenders dispersed an additional 85 loans in the district.

The Miami-based SFDO oversees SBA programs and services delivery to more than one million small businesses operating in the 24-county area South of Orlando. SBA's financial assistance in the region includes 2,706 7(a) Loan Guaranty Program approvals totaling \$332.6 million and 314 loans in the Certified Development Company (504) Loan Program for fixed assets valued at \$120.5 million.

The 7(a) Loan Guaranty Program is the Agency's primary financial assistance program. A maximum loan amount of \$2 million is established for 7(a) loans. However, the maximum dollar amount the SBA can guaranty is \$1.5 million. Loans of \$150,000 or less have a maximum guaranty of 85 percent. For loans greater than \$150,000, the maximum guaranty is 75 percent. The loan guaranty program enables lenders to provide start-up and expansion financing on reasonable terms to small business owners when funding is otherwise unavailable.

Lender use of the *SBAExpress* program is increasing significantly this year. Of the 7(a) programs guaranties approved, 2,075 or 77 percent were approved under *SBAExpress* program. The total exceeds by 7.2 percent the number of guaranties approved under the program during the whole of FY 2003.

Loans under the CDC (504) Loan Program, the SBA's economic development instrument, have a job creation component and provide long-term, fixed rate, subordinate mortgage financing for acquisition and renovation of capital assets such as land, buildings and equipment.

For more details on SBA financial assistance programs visit the agency's Web site at www.sba.gov.