



# ***NEWS RELEASE***

## **PRESS OFFICE**

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**Contact:** Dave Helfert (202) 205-6740  
**Internet Address:** [www.sba.gov/news/](http://www.sba.gov/news/)

## ***SBA COMMUNITY EXPRESS LOANS TO GO NATIONWIDE*** ***Innovative Program Will Spur “New Markets” Investment***

**CHICAGO** – An innovative U.S. Small Business Administration program that matches loans to New Markets entrepreneurs with technical assistance is going nationwide, SBA Administrator Aida Alvarez announced today.

The program is an important expansion in the agency’s efforts to bring traditionally under-served markets into the mainstream of the economy.

Speaking to more than 200 small business owners and Rainbow/PUSH delegates meeting in Chicago, Administrator Alvarez announced the expansion of the SBA Community Express Loan Program from a pilot involving nine banks in 20 locations to as many as 500 lenders nationwide. Community Express is a joint initiative between SBA and the National Community Reinvestment Coalition (NCRC). The program is aimed at New Markets areas, usually comprised of small businesses owned by minorities, women and veterans, particularly those located in low and moderate income urban and rural areas.

**“Community Express brings together the SBA’s program experience and lending capability with the lending and community development expertise of the NCRC,”** Administrator Alvarez said. **“And now that we are expanding this program nationwide, more Americans will have the opportunity to fully participate in the mainstream of the U.S. economy by starting and growing successful small businesses.”**

The Administrator was participating in a Rainbow/PUSH Roundtable discussion on promoting diversity and moving people “from the margins to the mainstream.”

“The partnership between the SBA and the NCRC provides critically-needed access to capital for small businesses in traditionally under-served areas of the country, along with technical and management assistance to loan recipients,” added Administrator Alvarez.

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Community Express is an innovative approach to bring SBA financing to areas where commercial loans have been difficult to get. Additionally, lenders will use expedited loan review and approval procedures to process these SBA-guaranteed loans.

The loans include term loans, lines of credit and commercial mortgages. Loan proceeds can be used for purchasing inventory, machinery and equipment, land and buildings and for working capital.

The critical element of the program is the link between the SBA-backed loans and the technical assistance that will be funded by lenders and provided by NCRC member organizations. Borrowers will receive hands-on training and support, both before and after loan closings.

Since the pilot began in June 1999, participating lenders have made 110 loans ranging from \$5,000 to \$250,000. The total is about \$11.1 million. About two-thirds of the loans have gone to minority-owned businesses, and about 43 percent have been to businesses owned by women.

The expansion announced today widens the pilot program from the original nine lenders to as many as 500 additional lenders – the better performing lenders participating in the agency's Preferred Lenders Program (PLP), as well as selected non-PLP lenders in some areas.

SBA will review the performance of its 7(a) lenders to determine which are eligible, and those lenders will be notified that they are eligible to participate.

The Community Express pilot program is part of SBA's New Markets Initiative, designed to spur economic development and job creation in untapped rural and inner city communities with venture capital, commercial loan credits and technical assistance.

NCRC is a nonprofit trade association comprised of 680 dues-paying community development and advocacy groups. Members are committed to revitalizing distressed communities. NCRC's mission is to ensure fair and equal access to credit, capital and banking services and products to these communities. NCRC seeks to develop and support long-term solutions that provide resources, knowledge, and skills to build community and individual net wealth.

*For more information on these and other SBA programs, call the SBA Answer Desk at 1-800-U-ASK-SBA, or visit the SBA's extensive website at [www.sba.gov](http://www.sba.gov).*

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