

## January 2011

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*All SBA programs and services are provided on a nondiscriminatory basis.*

*Comments regarding the newsletter are always welcome. Contact Virginia Smith at [virginia.smith@sba.gov](mailto:virginia.smith@sba.gov) or 315-471-9393 ext. 250*

## First Quarter FY 11 Thank You

The Syracuse District Office would like to thank our participating lenders for making the first quarter of fiscal year 2011 record setting for loan approvals. This quarter alone, 269 loans worth \$57.3 million were approved. Approvals are up 31 percent in loan number and 59 percent in loan amount compared to the same quarter last fiscal year.

### SBA Nationwide

As of December 31, SBA approved more than \$10.3 billion in loan guarantees, supporting more than \$12 billion in lending since the signing of the Jobs Act. The Jobs Act included an extension of reduced fees and higher guarantee loan enhancements.

During the first quarter FY 11, SBA approved nearly 22,000 small business loans for \$10.47 billion, supporting a total of \$12.16 billion in lending. The amounts are greater than the volume for Jobs Act loans over the same period because they exclude some loans that were not eligible for one or more Jobs Act enhancements.

SBA moved quickly to get these loan dollars into the hands of small businesses and just three months later all of the \$505 million in Jobs Act subsidy has been utilized by SBA's national network of lending partners. In light of that, SBA has activated the SBA Loan Queue to ensure that any remaining funds that result from loan cancellations in the coming weeks are redirected to new Jobs Act loans.

### Background on SBA Loan Enhancements

The Small Business Jobs Act extended higher guarantees and reduced fees, enhancements first enacted in the American Recovery and Reinvestment Act of 2009. From February 17, 2009, when the Recovery Act was signed, through September 30, 2010, the SBA approved more than \$22.5 billion in loan guarantees, which supported more than \$30 billion in lending to small businesses. The enhancements were funded with approximately \$680 million in subsidy funds provided during the period.

Following the extension of the enhancements in the Jobs Act, SBA approved an additional \$10.3 billion in loan guarantees, supporting more than \$12 billion in lending to small businesses from September 27 through December 31, funded by just \$505 million in subsidy funds. The three-month extension of the loan enhancements under the Jobs Act financed the highest volume in a fiscal year's first quarter than at any time in SBA's history. During the week of December 18-24, SBA supported a record-high \$1.95 billion in small business loans, the highest dollar volume since the agency began tracking its weekly loan volumes.

### SBA Loan Queue

Authority to continue the loan enhancements was extended through March 4, 2011 by Congress last month. While there is no additional appropriation of subsidy funds to support the loan enhancements, the extended authority does allow the agency to redirect, through the SBA Loan Queue, any dollars that come available from loan cancellations in the coming weeks to new loans with the enhancements.

It is typical that some previously approved loans are later cancelled by the borrower or lender and never disbursed for a variety of reasons. The queue takes this into account and will allow eligible small businesses, in consultation with their lenders, to choose to be placed in the queue for possible approval for a Jobs Act loan if funding becomes available. Small business owners and lenders will have transparent access to the queue via [www.sba.gov](http://www.sba.gov) and will be able to remove themselves from the queue at any time to be considered for a non-Jobs Act SBA-backed loan with all applicable fees and, for 7(a) loans, standard guarantee levels.

### Additional Information

Please refer any questions to your local Syracuse District Office Representative.

## Patriot Express Program Renewal

A very popular initiative that in just three-and-a-half years has provided more than \$560 million in loan guarantees to nearly 7,000 veterans to start or expand their small businesses has been renewed for three more years.

Patriot Express, a streamlined pilot loan product based on the *SBAExpress* program, offers an enhanced guaranty and interest rate on loans to small businesses owned by veterans, reservists and their spouses. Over the past two years, due in part to the American Recovery and Reinvestment Act, loan volume increased dramatically.

"America's veterans have the leadership skills and experience to become successful entrepreneurs and small business owners," said SBA Administrator Karen Mills. "The impact of this program over the last three-and-a-half years has meant thousands of veterans and their families have had the resources to pursue their dreams as entrepreneurs, and at the same time create jobs and drive economic growth at a critical time for our country. Renewing it means we can continue to fulfill

our sacred commitment to the men and women who serve our country by giving them every opportunity for success."

Patriot Express was launched June 28, 2007, to expand upon the more than \$1 billion in loans SBA guarantees annually for veteran-owned businesses across all its loan programs. SBA also offers counseling assistance and procurement support each year to more than 200,000 veterans, service-disabled veterans, reservists and members of the National Guard and their spouses.

Patriot Express loans are offered by SBA's network of participating lenders nationwide and feature one of SBA's fastest turnaround times for loan approvals. Patriot Express loans are available for up to \$500,000.

The Patriot Express loan can be used for most business purposes, including start-up, expansion, equipment purchases, working capital, inventory or business-occupied real-estate purchases.

To learn more about additional opportunities for veterans available through the SBA, please visit the website at [www.sba.gov/vets](http://www.sba.gov/vets).

## Small Business Lending Fund

The US Department of Treasury recently announced the creation of the Small Business Lending Fund (SBLF.)

The SBLF aims to stimulate small business lending by providing capital to participating community banks. The price a bank pays for SBLF funding will be reduced as the bank's small business lending increases.

Because banks leverage their capital, the SBLF could help increase lending to small businesses in an amount that is multiples of the total capital provided to participating banks. These new loans will enable small businesses to grow and create new jobs.

The Department Treasury will provide banks with capital by purchasing Tier 1-qualifying preferred stock or equivalents in each bank. The dividend rate on SBLF funding will be reduced as a participating community bank increases its lending to small businesses. The initial dividend rate will be, at most, 5 percent.

If a bank's small business lending increases by 10 percent or more, then the rate will fall to as low as 1 percent. Banks that increase their lending by amounts less than 10 percent can benefit from rates set between 2 percent and 4 percent. If lending does not increase in the first two years, however, the rate will increase to 7 percent. After 4.5 years, the rate will increase to 9 percent if the bank has not already repaid the SBLF funding.

To learn more, visit the Small Business Lending Fund website at [www.treasury.gov/SBLF](http://www.treasury.gov/SBLF).

For general inquiries and questions, please call the Small Business Lending Fund information line at 888-832-1147.

For communications pertaining to a specific institution, please email [SBLFInstitutions@do.treas.gov](mailto:SBLFInstitutions@do.treas.gov), a confidential email address.

Save  
The  
Date

The Syracuse and Albany Small Business Excellence Luncheons are scheduled for May 2011. Please mark your calendars.

**Syracuse** - Monday, May 2

**Albany** - Monday, May 9

Small Business Excellence Award nomination submissions will be due in February. Please contact Cathy Pokines at [cathy.pokines@sba.gov](mailto:cathy.pokines@sba.gov) or 315-471-9393 ext. 241 with questions.

## Small Loan Advantage and Community Advantage

With small business owners and entrepreneurs in traditionally underserved communities continuing to face challenges accessing capital, SBA announced two new initiatives aimed at increasing SBA-backed loans to small businesses in these markets.

SBA and U.S. Department of Commerce studies have shown the importance of lower-dollar loans to small business formation and growth in underserved communities. With that in mind, the two new loan initiatives – **Small Loan Advantage** and **Community Advantage** – are aimed at increasing the number of lower-dollar SBA 7(a) loans going to small businesses and entrepreneurs in underserved communities. SBA's most popular loan product, 7(a) government-guaranteed loans can be used for variety of general business purposes, including working capital and purchases of equipment and real estate.

In conjunction with the implementation of these two new Advantage loan initiatives by March 15, 2011, SBA will end its existing Community Express pilot loan program on April 30, 2011.

"Over the last two years, we've seen lending to all small businesses tighten up, and that tightening has been even greater in traditionally underserved communities, including among minorities, women and in rural areas," SBA Administrator Karen Mills said. "These new Advantage initiatives are aimed directly at getting more loans into these markets so these small business owners can get the capital they need to start or grow their business and create good paying jobs in local communities across the country."

Built on what SBA refers to as its "Advantage" platform, both Small Loan Advantage and Community Advantage will offer a streamlined application process for SBA-guaranteed 7(a) loans up to \$250,000. These loans will come with the regular 7(a) government guarantee, 85 percent for loans up to \$150,000 and 75 percent for those greater than \$150,000.

Small Loan Advantage will be available to the 630 financial institutions across the country in the agency's Preferred Lender Program (PLP). Under PLP, which includes most of SBA's highest volume lenders, SBA delegates the final credit decisions to lenders.

With Community Advantage, SBA will expand the points of access small business owners have for getting loans by opening SBA's 7(a) loan program to "mission-focused" financial institutions, including Community Development Financial Institutions, Certified Development Companies and non-profit microlending intermediaries. Community Advantage will leverage the experience these institutions already have in lending to minority, women-owned and start-up companies in economically challenged markets, along with their management and technical assistance expertise, to help make their borrowers successful.

Additional information on the programs may be found at [www.sba.gov](http://www.sba.gov)

The Syracuse District Office will provide training on the new programs as the policies and procedures are developed. Please direct any questions to your local Syracuse District Office Representative.

## Syracuse SBA District - YTD FY 11 by County

10/1/10-12/31/10

	504 Approvals		7A Approvals		Total 504 and 7(a)	
ALBANY	1	\$504,000	19	\$2,658,500	20	\$3,162,500
BROOME	2	\$710,000	27	\$5,400,900	29	\$6,110,900
CAYUGA			7	\$873,500	7	\$873,500
CHEMUNG			11	\$3,017,800	11	\$3,017,800
CHENANGO			6	\$831,800	6	\$831,800
CLINTON			4	\$1,505,000	4	\$1,505,000
COLUMBIA	2	\$429,000			2	\$429,000
CORTLAND	1	\$275,000	3	\$317,000	4	\$592,000
DELAWARE			1	\$50,000	1	\$50,000
ESSEX			3	\$2,302,000	3	\$2,302,000
FRANKLIN			4	\$314,000	4	\$314,000
FULTON	1	\$190,000	1	\$50,000	2	\$240,000
GREENE	1	\$219,000			1	\$219,000
HAMILTON			1	\$150,000	1	\$150,000
HERKIMER			6	\$455,000	6	\$455,000
JEFFERSON			4	\$270,000	4	\$270,000
LEWIS	1	\$273,000	1	\$66,000	2	\$339,000
MADISON			4	\$1,315,000	4	\$1,315,000
MONTGOMERY			1	\$39,000	1	\$39,000
ONEIDA	1	\$186,000	18	\$2,555,800	19	\$2,741,800
ONONDAGA	3	\$1,279,000	39	\$8,352,000	42	\$9,631,000
OSWEGO	1	\$264,000	12	\$3,761,100	13	\$4,025,100
OTSEGO			5	\$1,483,800	5	\$1,483,800
RENSSELAER			6	\$730,000	6	\$730,000
SAINT LAWRENCE	1	\$657,000			1	\$657,000
SARATOGA	3	\$904,000	21	\$4,405,600	24	\$5,309,600
SCHENECTADY	1	\$451,000	4	\$896,800	5	\$1,347,800
SCHOHARIE			2	\$304,000	2	\$304,000
SCHUYLER			6	\$1,377,000	6	\$1,377,000
STEUBEN			17	\$5,597,000	17	\$5,597,000
TIOGA			1	\$40,000	1	\$40,000
TOMPKINS			7	\$809,000	7	\$809,000
WARREN	1	\$285,000	7	\$393,000	8	\$678,000
WASHINGTON	1	\$340,000			1	\$340,000
<b>Grand Total</b>	<b>21</b>	<b>\$6,966,000</b>	<b>248</b>	<b>\$50,320,600</b>	<b>269</b>	<b>\$57,286,600</b>

**Syracuse SBA District Loan Approvals - YTD FY 11 (10/1/10 - 12/31/10)**  
by number of loans

**SBA 7(a) Loan Approvals**

M&T Bank	70	\$14,118,000
NBT Bank	24	\$2,692,200
Five Star Bank	17	\$6,567,800
New York Bus. Dev. Corp.	17	\$4,903,800
Adirondack Trust Company	14	\$940,000
Keybank	12	\$922,500
Adirondack Bank	9	\$824,000
USNY Bank	7	\$2,126,000
Alliance Bank	7	\$874,300
Chemung Canal Trust Co.	7	\$395,000
First Niagara Bank	6	\$785,000
Corning FCU	6	\$619,500
Oneida Savings Bank	5	\$980,000
HSBC Bank	4	\$625,000
Community Bank	4	\$464,500
JPMorgan Chase Bank	4	\$399,800
Tioga State Bank	3	\$2,305,000
Solvay Bank	3	\$500,000
Berkshire Bank	3	\$311,500
Pathfinder Bank	3	\$290,000
Ballston Spa National Bank	3	\$253,200
Citizens Bank	3	\$110,000
Legacy Banks	2	\$632,000
Tompkins Trust Co.	2	\$400,000
Superior Financial Group	2	\$22,500
United Western Bank	1	\$2,285,000
Small Business Capital	1	\$2,152,000
TD Bank	1	\$1,200,000
City National Bank	1	\$320,000
Capital Source Bank	1	\$317,000
Newtek Small Business Finance	1	\$211,000
Bank of Bennington	1	\$204,000
Lyons National Bank	1	\$160,000
Unity Bank	1	\$160,000

**SBA 7(a) Loan Approvals**

Saratoga National Bank	1	\$150,000
Glens Falls National Bank	1	\$100,000
<b>Total 7(a) Loan Approvals 248 \$50,320,600</b>		

**504 Loan Approvals**

Empire State Cert. Dev. Corp.	18	\$5,990,000
Greater Syracuse Bus. Dev. Co.	2	\$712,000
Operation Oswego County	1	\$264,000
<b>Total 504 Loan Approvals 21 \$6,966,000</b>		

**Total 7(a)& 504 Loan Approvals 269 \$57,286,600**

**504 Third Party Lenders**

NBT Bank	3	\$1,583,075
First Niagara	2	\$1,455,000
M&T Bank	2	\$1,055,000
Solvay Bank	2	\$1,028,500
Community Bank	2	\$707,344
Chase Bank	1	\$622,400
JPMorgan Chase Bank	1	\$570,000
Pioneer Savings Bank	1	\$462,500
The National Union Bank of Kinderhook	1	\$390,000
New York Bus. Dev. Corp.	1	\$310,000
Ballston Spa National Bank	1	\$297,000
Ulster Savings Bank	1	\$290,000
Alliance Bank	1	\$280,000
SEFCU	1	\$227,500
The Bank of Greene County	1	\$124,950
<b>Total Third Party Loan Approvals 21 \$9,403,269</b>		

**Microloans**

Alternatives FCU	8	\$130,800
Adirondack Economic Dev. Corp	3	\$55,626
REDEC	1	\$8,000
Columbia Hudson Partnership	1	\$2,200
<b>Total Microloan Approvals 13 \$196,626</b>		

## Syracuse SBA District Loan Approvals - YTD FY 11 (10/1/10 - 12/31/10)

*by dollar amount*

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Lyons National Bank	1	\$160,000
Unity Bank	1	\$160,000
Saratoga National Bank	1	\$150,000
Citizens Bank	3	\$110,000

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