



Program Overview

The Small Business Investment Company (SBIC) Program, administered by the U.S. Small Business Administration (SBA), is a multi-billion investment program created in 1958 to bridge the gap between entrepreneurs' need for capital and traditional sources of financing. Over the past five years, the program has channeled more than \$21 billion of capital to more than 6,400 U.S. small businesses spanning a variety of industries across the country. These results were achieved through a proven public-private partnership that leverages the full faith and credit of the U.S. government to increase the pool of investment capital available to small businesses.

The SBIC Public-Private Partnership at Work

The SBIC Program harnesses the talent of professional investment fund managers to identify and finance promising small businesses. Qualified fund managers who complete the SBIC Program's rigorous application process are granted a license to operate their fund as an SBIC. The SBIC can then leverage capital raised from private investors, such as banks, pension funds or high net-worth individuals, with government-guaranteed debt obtained through the program. For every \$1 the fund raises from private investors, SBA will commit up to \$2 of debt, subject to a cap of \$150 million. The SBIC manager can then assemble a portfolio of long-term investments in American small businesses. When the investments are realized and the fund begins to wind-down, the SBIC will repay its SBA-guaranteed debt and share the profits from its investments with the private investors who backed the fund.

SBIC PROGRAM QUICK FACTS
From 2011 through 2015:

- More than \$21 billion in financing was invested in small businesses
- More than 6,400 businesses received investments
- 19% of the small businesses financed were located in low-to-moderate income areas
- 7% of the small businesses were women-, minority- or veteran-owned



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Reaching Underserved Markets

Most applicants to the SBIC Program seek a Standard License, which accommodates a wide range of investment strategies. For those funds investing in market segments that face unique challenges in accessing capital, SBA offers two additional license types.

Standard License	Impact Investment License	Early Stage License
<p>Strategy: For SBIC applicants seeking the broadest investment mandate, with no limits beyond the basic set of SBIC investment criteria (see next page)</p> <p>Application Process: Rolling</p> <p>Processing Time: Normal</p> <p>SBA-Guaranteed Leverage:</p> <ul style="list-style-type: none"> • Up to 2x private capital • \$150M cap 	<p>Strategy: Applicants commit to investing 50% of their capital in SBA-defined "impact investments," such as clean energy or low-income investments.</p> <p>Application Process: Rolling</p> <p>Processing Time: Expedited</p> <p>SBA-Guaranteed Leverage:</p> <ul style="list-style-type: none"> • Up to 2x private capital • \$150M cap 	<p>Strategy: Applicants commit to deploy at least 50% of their capital in early-stage companies that have yet to achieve positive cash flow.</p> <p>Application Process: Single Deadline</p> <p>Processing Time: Normal</p> <p>SBA-Guaranteed Leverage:</p> <ul style="list-style-type: none"> • Up to 1x private capital • \$50M cap

Learn How to Participate at www.sba.gov/inv or e-mail asksbic@sba.gov

Fund Managers:	Fund Investors:	Small Business Owners:
Take advantage of our "Pre-Screening" process and consult with an SBIC Program Investment Officer to assess your fit with the SBIC Program.	SBICs deliver multiple benefit to its investors such as CRA credit for banks, exemption from the Volcker Rule and the potential for enhanced returns.	Visit our online directory of active SBICs and review our articles on how best to approach an SBIC for financing.