



NEWS RELEASE

CONNECTICUT DISTRICT OFFICE

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SBA Loan Volume Continues to rise in Connecticut *Small business loans up 65 percent from last year*

HARTFORD, CT – U.S. Small Business Administration (SBA) lending in Connecticut continues to increase significantly during the first half of the federal government’s 2010 fiscal year ending March 31, 2010. Compared to the first six months of 2009, the total number of SBA loans increased 54 percent from 250 to 384 and the dollar volume of lending increased 65 percent from \$55 million to \$90 million.

“We anticipate this trend to remain strong for the remainder of the year as we are processing more loan applications from many of our lending partners across the entire state,” said Connecticut SBA District Director Bernard Sweeney. “Not only are we seeing this trend on a statewide level but also nationally, as banks are recognizing the strong demand for small business loans and are looking to the SBA for support through reduced fees and increased guarantees.”

The American Recovery & Reinvestment Act of 2009 (ARRA) signed by President Obama on February 17, 2009, provided broad reaching assistance to small businesses, including an increase in the guarantee on all loans up to 90 percent from 75-85 percent and the elimination of guaranty fees, resulting in substantial savings for small business borrowers.

Since the Act was signed, SBA nationally has supported more than \$25 billion in lending to small businesses through its two largest loan programs and seen its average weekly dollar volume increase. During the same period, Connecticut has approved 680 loans totaling \$213 million in loans to small business. Connecticut’s average weekly loan volume has increased by 123 percent compared to the weeks leading up to the Act.

To further assist small businesses, President Obama continues to extend the ARRA fee waiver and loan guarantee provisions. Fee elimination on SBA loans means decreased costs to the small business borrower, while maintenance of the 90 percent federal guarantee to banks means a continued reduction in risk to SBA lenders.

A special 100-percent guaranteed, deferred-payment loan program up to \$35,000 created under ARRA, known as America’s Recovery Act (ARC), has been used by 31 firms in Connecticut

since the start of the new fiscal year putting an additional \$992,100 into the hands of small business owners.

Among SBA lenders, Webster Bank, Connecticut Community Investment Corporation, Peoples United Bank and Fairfield County Bank, continue to report increases in lending over the prior year. Webster Bank was the top SBA volume lender in the state for the first half of the year with 43 loans totaling over \$6.6 million followed by Connecticut Community Investment Corp with 29 loans for \$10.1 million, People's United Bank, 29 loans for \$7.9 million and Fairfield County Bank, 23 loans totaling \$3.2 million.

For more information about all of the SBA's programs for small businesses in Connecticut, call the SBA Office at (860) 240-4700 or helpline at 1-800 U ASK SBA or TDD (704) 344-6640, or visit the SBA's extensive web site at www.sba.gov/ct.

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