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Increase in Washington State SBA Loan Volume ***Small business loans up 37 percent from last year***

SEATTLE – U.S. Small Business Administration (SBA) Seattle District Office lending in Washington State and Northern Idaho increased significantly in the first quarter of the federal government’s 2010 fiscal year ending December 31, 2009. Compared to the first quarter of 2009, the total number of SBA loans increased 37 percent from 332 to 455 and the dollar volume of lending increased 85 percent from \$79.1 million to \$146.4 million.

The increase in the number of loans offers no conclusive evidence of a fundamental shift in the lending environment, but is not unique to the Seattle District Office’s geographic area and may be reflective of the impact economic stimulus efforts are having in the marketplace. The Seattle District Offices’, year-to-year data shows that SBA lending contracted 33 percent in fiscal year 2009 from 2008 levels. During that period, the number and value of loans dropped from 2,200 loans valued at \$517.8 million to 1,477 loans valued at \$398 million.

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 \$19 billion in lending to small businesses through its two largest loan programs and seen its average weekly dollar volume increase by more than 75 percent in comparison to the weeks before the Recovery Act. In Washington and N. Idaho, SBA Seattle District has approved more than \$500 million since the Act was implemented and seen an increase of over 90 percent in dollar volume compared pre-Recovery Act levels.

“We think this is a good sign for the economy and hope that the trend continues in the coming months,” says Seattle District Director, Nancy Porzio. “We saw a slight increase in lending near the end of the fourth quarter of last fiscal year. The increased activity in this first quarter of FY2010 builds on that trend and certainly affirms that money remains available to qualified borrowers.”

To further assist small businesses, President Obama last month extended 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 92 firms within the Seattle District Office since June, putting an additional \$2.9 million into the hands of small business owners.

Among SBA lenders, Mountain West Bank, Numerica Credit Union, UniBank and South Sound Bank reported substantial increases in lending over the prior year. U.S. Bank was the top SBA lender in the state for the quarter with 44 loans totaling over \$5.2 million.

For more information about all of the SBA’s programs within the Seattle District Office, call the SBA Office at (206) 553-7310 or visit the Seattle Districts’ web site at www.sba.gov/wa/seattle