



# News Release

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**Contact:** Anne Marie Frawley (202) 205-6948  
**Internet Address:** <http://www.sba.gov/news>

### ***Demand for SBA-Backed Loans Continues at Record Pace Through Third Quarter of FY 2005***

**WASHINGTON** – Small businesses continued turning to the U.S. Small Business Administration for commercial credit in record numbers through the first three quarters of FY 2005, reflecting their confidence in the U.S. economy and the stability of the SBA loan program that backs their loans.

Small businesses secured SBA backing under the agency's flagship 7(a) program for 71,131 loans through the first nine months of the fiscal year, a 21 percent increase over the same period a year ago and a 49 percent increase over the same period two years ago.

The loans made so far this year amount to \$11.1 billion, 19.5 percent more than in the same period last year, and on a clear pace for a record-setting year for the program.

"We had a record year for this loan program a year ago, and we're going to set another record in 2005," said SBA Administrator Hector V. Barreto. "It tells us that the critics are wrong, that small businesses are confident enough to invest in the future of the American economy, and that this program is here to help them do it. It also demonstrates the effectiveness of the self-funded footing on which the President has placed the loan program, and the confidence that lenders have in its stability. I am very pleased with this performance so far this year."

The gains are also reflected in the SBA's Certified Development Company, or 504, loan program. Through the first nine months of the fiscal year, the 504 program had issued 6,434 loans worth \$3.44 billion, more than 6 percent ahead of the same period a year ago, when the program had produced 6,058 loans for \$2.88 billion.

The budget for the current year makes more than \$21 billion available to small businesses through the two loan programs, including \$16 billion in small business lending under the 7(a) program and \$5 billion under the 504 program.

For information on applying for an SBA loan, visit the SBA's extensive Web site at [www.sba.gov](http://www.sba.gov).

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