



News Release

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Small Businesses Receive More Than 100,000 SBA-Backed Loans in FY 2006, a Sixth Consecutive Record Year

WASHINGTON – Small businesses turned to the U.S. Small Business Administration for commercial financing in record numbers in fiscal year 2006, setting records for both the number of loans and the dollars loaned, SBA Administrator Steven C. Preston said today.

The SBA backed a net 100,197 loans totaling \$19.1 billion under its two primary small business loan programs during the 12 months ending on Sept. 30. Both the number of loans and the dollar amount is a single-year record for the agency. The previous records were set last year, when SBA provided a net 94,554 loans worth \$18.1 billion under the same two programs.

“We are very pleased with the small business lending performance this past year and for each of the previous five years,” said Administrator Preston. “These numbers reflect the confidence American entrepreneurs have in the U.S. economy as well as in the SBA lending program that backs their loans. I am thankful to our lenders and resource partners for their steadfast commitment to small businesses.

“The SBA’s loan programs have continued to set records every year,” Preston said. “Before FY 2002, the programs never produced more than 42,000 loans combined. Since then, loan volume has more than doubled.”

A third of the loans in FY 2006 went to minority borrowers, 32 percent were to new start-up businesses, 22 percent were to businesses owned by women and 21 percent were to businesses located in rural areas. Increases were recorded in loans to African Americans, Hispanics, Asian Americans and Native Americans.

“SBA is committed to continuing to increase our support for underserved businesses and communities,” Preston said.

Preston noted that borrower fees on basic SBA 7(a) loans under \$150,000 are the same as they were in 1985.

“It is clear the changes we have made to improve our lending programs have not only worked, but also have provided the foundation for even higher lending levels in the future,” said Preston.

Both primary loan programs set records this year. The 7(a) loan guaranty program – most often used for working capital – produced 90,477 loans worth \$13.46 billion. The Certified Development Company, or 504, program, which is used for the purchase of real estate and fixed assets, provided 9,720 loans worth \$5.61 billion.

For details on the SBA’s lending programs, visit www.sba.gov.

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