



SBA Small Business Development Centers

Small Business Development Centers (SBDC) provide training and technical assistance to small business owners and aspiring entrepreneurs. SBDCs can be valuable partners for banks engaged in small business lending.

What are SBDCs?

SBDCs are cooperative efforts involving the Small Business Administration (SBA), a college or university, and often other private or public partners. There are more than 1,000 SBDCs, operating in all 50 states, the District of Columbia, and many U.S. territories. The centers offer free counseling and training for small businesses on topics such as business planning, financial management, marketing, and access to capital. Some SBDCs specialize in certain areas, such as rural businesses, international finance, or technology transfer. In some cases, an SBDC may offer incubator space and support services for fledgling businesses. The services offered at local SBDCs are based on local needs and economic development strategies.

Services are available to established entrepreneurs interested in improving or expanding their businesses and to aspiring entrepreneurs interested in starting a business. Most services are free and confidential, although low-cost training options may also be offered. SBDCs make special outreach efforts to socially and economically disadvantaged groups, veterans, women, and people with disabilities. Although many centers are located at universities,

staff members may also be drawn from the business, legal, and banking sectors. SBDCs may also use paid consultants for specialized expertise in technical fields.

SBDCs are supported by the SBA together with state and local sponsors. Each state has at least one Lead Small Business Development Center that coordinates services through a network of subcenters located at college campuses, chambers of commerce, or economic development organizations. To find the location of SBDCs, visit SBDCNet: (www.sbdcnet.org/find-your-local-sbdc-office).

How do SBDCs help small business owners and aspiring entrepreneurs with financing?

SBDCs do not provide financing; however, they can help small business owners and aspiring entrepreneurs develop financing strategies for their businesses. Strategies may include financing from banks, nonbank lenders such as community development financial institutions and venture capital firms, or alternatives such as leasing. SBDCs may also help clients develop financial projections and prepare credit requests.

SBDCs may host lender forums designed to encourage networking and greater communication among lenders and small businesses.

The Export-Import Bank of the United States (Ex-Im Bank), through its Global Access for

Small Business initiative, has partnered with SBDCs to increase export activity among small businesses.

How can banks partner with SBDCs?

Banks often refer small business customers to SBDCs. Referrals from banks and other small business professionals are a significant source of SBDC clients. Banks may be most interested in referrals in cases where a small business owner has a reasonable expectation of success but has special challenges that an SBDC may be able to help address.

Banks may provide financial support to SBDCs. The SBA provides approximately 50 percent of SBDC funding, with the rest coming from state and local sources. Banks may support overall operating expenses or sponsor specific training initiatives.

Banks may also provide advisory services to SBDCs. For instance, a bank representative may be asked to serve on an SBDC advisory board, or to provide business counseling services to small businesses.

Are partnerships with SBDCs eligible for CRA consideration?

Financial support to an SBDC may be eligible for CRA consideration as a qualified investment. Advisory services provided to an SBDC or the small business clients of an SBDC may be eligible for consideration as a community development service (please see CRA Questions and Answers listed below).

For more information

[Small Business Administration Small Business Development Centers](#)

[SBDCNet: National Information Clearinghouse of the SBA](#)

[Association of Small Business Development Centers](#)

[Small Business Help Directory](#)

[Community Reinvestment Act; Interagency Questions and Answers Regarding Community Reinvestment; Notice; Federal Register / Vol. 75, No. 47 / Thursday, March 11, 2010](#)