



U.S. TREASURY DEPARTMENT OFFICE OF PUBLIC AFFAIRS

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OBAMA ADMINISTRATION ANNOUNCES FUNDING FOR NORTH CAROLINA, SOUTH CAROLINA, AND WYOMING TO SPUR AT LEAST \$773 MILLION IN NEW SMALL BUSINESSES LENDING

State Small Business Credit Initiative Now Reaches Every State in the Country

WASHINGTON – The U.S. Department of the Treasury today announced the approval of a State Small Business Credit Initiative (SSBCI) application from the Laramie Consortium of municipalities in Wyoming in addition to second rounds of SSBCI funding for North Carolina and South Carolina. The planned use of SSBCI funds in these three states will help create new jobs and is expected to spur more than \$773 million in additional small business lending.

The approval of the Wyoming consortium marks the final allocation arrangement between Treasury and program participants. The City of Laramie has led the efforts of the Wyoming consortium in conjunction with Casper, Cheyenne, Cody, Douglas, Edgerton, Gillette, Green River, Hanna, Hartville, Midwest, Pine Bluffs, Powell, Rawlins, Rock Springs, Sundance, and Wheatland. Overall, the SSBCI program supports small business lending programs in 56 states, territories, and the District of Columbia. It is an important component of the Small Business Jobs Act that President Obama signed into law in 2010.

“Our approval of the Laramie Consortium is the final award under SSBCI, which now reaches every state in the country,” said Cyrus Amir-Mokri, Assistant Secretary for Financial Institutions. “The funds going to Wyoming, North Carolina, and South Carolina will help facilitate the access to capital small businesses need to grow, create jobs, and support families in communities across these states.”

Under the SSBCI, all states were offered the opportunity to apply for federal funds for state-run programs that partner with private lenders to increase the amount of credit available to small

businesses. The Small Business Jobs Act permits the Secretary of the Treasury to grant special permission for municipalities to apply for a State's SSBCI allocation if such state did not submit a notice of intent to apply for participation in the SSBCI by November 26, 2010.

SSBCI participants must demonstrate a reasonable expectation that a minimum of \$10 in new private lending will result from every \$1 in federal funding. Accordingly, the \$1.5 billion federal funding commitment for this program overall is expected to result in at least \$15 billion in additional private lending nationwide.

Details on the Laramie Consortium agreement and the second rounds of funding in North Carolina and South Carolina are included below. For more information about the SSBCI, please visit [link](#).

Laramie Consortium (Wyoming)

With SSBCI approval of the Laramie Consortium's application, the 17 municipalities can access up to \$13.2 million in SSBCI funding, which the Laramie Consortium expects to generate more than \$132 million in new small business lending throughout Wyoming.

The Laramie Consortium's approved plan dedicates its \$13.2 million in SSBCI funding to support two programs:

Credit Guarantee Program (CGP)

The CGP is a collateral support program that will pledge up to 50 percent of the loan value in cash collateral to financial institution lenders for loan requests where the financial institutions have identified a collateral shortfall (this typically occurs when the value of the collateral has depreciated, such as the case with equipment or real estate). The Laramie Consortium estimates that this program will result in more than \$109 million in new loans and would result in approximately 1,500 jobs created or retained.

Seed Capital Network (SCN)

The SCN is a venture capital program that will make investments directly in small businesses. The Laramie Consortium estimates that this program will result in more than \$33 million in new investments and would result in approximately 382 jobs created or retained.

North Carolina

Under the Small Business Jobs Act, North Carolina can access a total of \$46.1 million in SSBCI funds, which North Carolina expects will generate \$461 million in additional private lending. SSBCI funds are made available to the state in three, equal rounds of funding, and as such, the second tranche is \$15.2 million. During the first round of funding, North Carolina's program supported 203 loans or investments to small businesses totaling \$71.7 million, equal to private financial leverage of \$6 for every \$1 in federal contribution to date. Each individual loan or investment averaged \$353,262.66.

South Carolina

Under the Small Business Jobs Act, South Carolina can access approximately \$18.0 million in SSBCI funds, which South Carolina expects will generate \$180 million in additional private lending. The second tranche of funding for South Carolina totals \$5.9 million. During the first round of funding, South Carolina's program supported 33 loans to small businesses totaling \$20.6 million, equal to private financial leverage of \$4 for every \$1 in federal contribution to date. Each individual loan averaged \$624,785.18.

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