



News Release

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SBA Loan Activity in Massachusetts Surging

BOSTON – Capital provided to Massachusetts small businesses by private sector lenders participating in the U.S. Small Business Administration’s loan programs continues to increase. The SBA guaranteed 85 loans totaling \$11.5 million in a single day, March 10, 2010 more approvals than any other SBA office in the country.

Massachusetts SBA Director Bob Nelson pointed to two reasons why loan volume is on the rise. The first is that the SBA received \$560 million as a result of the American Recovery and Reinvestment Act and other legislation to help unlock the small business lending market and to get capital flowing again to America’s small businesses. SBA has leveraged this \$560 million into more than \$22 billion in loans nationally. The legislation allowed SBA to eliminate and reduce fees for borrowers on loans and to increase the guaranty to lenders to 90 percent, thereby reducing their risk.

The SBA has approved 1,592 recovery loans totaling \$479 million in Massachusetts since February 2009, an increase of 93 percent in dollar volume compared to the two months just prior to the signing of the Recovery Act. Since the Recovery Act was signed a little more than one year ago, SBA backed loans in MA have gone to 398 different types of businesses from restaurants to manufacturers and all “Main Street” type businesses. In addition, businesses in the innovative economy are also seeking SBA loans to help them access capital.

The second reason is due to increased participation by lenders in Massachusetts who considered SBA loan programs to help them get to the “yes” decision on small business loans. Nelson attributes the increase in the number of participating lenders to “the strong base of community lenders in Massachusetts” and the “tremendous outreach and training SBA staff is providing to Massachusetts small business lenders across the state.”

For a list of the Top 25 participating SBA lenders in Massachusetts, please visit our webpage at http://www.sba.gov/idc/groups/public/documents/ma_boston/ma_09loanvolume.pdf.

For more information about the SBA online, go to www.sba.gov or contact the Massachusetts District Office at (617) 565-5590.

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