

## **OBAMA ADMINISTRATION, GOVERNOR MALLOY ANNOUNCE FUNDS TO SPUR AT LEAST \$133 MILLION IN NEW LENDING TO CONNECTICUT SMALL BUSINESSES, HELP CREATE JOBS**

WASHINGTON – March 23, 2011, the U.S. Department of the Treasury and Governor Dannel P. Malloy announced the approval of Connecticut's State Small Business Credit Initiative (SSBCI) application. Connecticut's planned use of the SSBCI funds will help create new jobs and is expected to spur more than \$133 million in additional small business lending in that state. The SSBCI program, which supports state-level small business programs, is an important component of the Small Business Jobs Act that President Obama signed into law last fall.

"These critical funds will help Connecticut small businesses access the capital they need to expand their operations, create new jobs, and continue supporting our nation's economic recovery," said Treasury Secretary Tim Geithner. "Public-private lending partnerships, such as the State Small Business Credit Initiative, have a proven track record of success, and I'm pleased that this funding is on its way to support economic growth in Connecticut."

"Connecticut's economic recovery is driven by small businesses and their strong plans for growth. We need to ensure they have the capital necessary for hiring, purchasing of machinery and equipment and expansion of facilities in our state," said Governor Dannel P. Malloy. "In partnership with the banks and the Connecticut Development Authority, Connecticut's small business owners will now have more resources for that growth."

Under the Small Business Jobs Act, Connecticut can access \$13.3 million in SSBCI funds. Connecticut expects to generate a minimum "bang for the buck" of at least \$10 in new private lending for every \$1 in federal funding. As such, this \$13.3 million allocation for Connecticut is expected to support more than \$133 million in new private lending in that state.

Connecticut's approved plan dedicates its \$13.3 million in SSBCI funding to support its Capital Access Program (CAP), which provides loan portfolio insurance to encourage private financial institutions to lend to creditworthy small businesses. Connecticut has administered its CAP for more than 19 years. During this period, it has provided portfolio insurance for about 630 enrolled loans, totaling over \$53.4 million, resulting in the creation of or saving of 6,120 jobs.

Under SSBCI, all states are 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. States 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 is expected to result in at least \$15 billion in additional private lending nationwide.

Treasury Secretary Tim Geithner announced the approval of Connecticut's SSBCI application during a conference today at the Treasury Department entitled, "Access to Capital: Fostering Growth and Innovation for Small Companies." The conference brings together policymakers, entrepreneurs, investors, academics, and other market participants to explore how both the public and private sectors can help promote access to capital at each stage of growth for a small business - from seed capital, to growth equity, to accessing the public markets.

For more information about the SSBCI, please visit link<<http://www.treasury.gov/resource-center/sb-programs/Pages/ssbci.aspx>>.

For more information about Connecticut's Small Business Capital Access Program, URBANK, please visit, link<[http://www.ctcda.com/Financing/Small\\_and\\_Early\\_Stage\\_Business/URBANK/](http://www.ctcda.com/Financing/Small_and_Early_Stage_Business/URBANK/)>. For a list of participating banks, please visit, link<<http://www.ctcda.com/Partners/default.asp>>.