

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Kicks Off Billions Of Dollars In Main Street Lending Through The Small Business Lending Fund

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Community Banks Receive Funding to Help Small Businesses Access Capital, Create New Jobs

WASHINGTON – Today, the U.S. Department of the Treasury announced that six community banks received a total of \$123 million as part of the first wave of capital provided by the Small Business Lending Fund (SBLF). The SBLF, which was established as part of the Small Business Jobs Act that President Obama signed into law, encourages community banks to increase their lending to small businesses, helping those companies expand their operations and create new jobs.

“Expanding access to credit for small businesses will provide a powerful spark for growth and job creation,” said Treasury Secretary Tim Geithner. “These funds will help ensure that more Main Street entrepreneurs have the opportunity to expand their businesses, invest in their local communities, and create new jobs.”

Small businesses play a critical role in the U.S. economy and are central to growth and job creation. Small businesses employ roughly one-half of all Americans and account for about 60 percent of gross job creation. But small business owners faced disproportionate challenges in the aftermath of the recession and credit crisis, including difficulty accessing capital.

The SBLF helps small businesses meet this challenge by providing capital to community banks that hold under \$10 billion in assets. The dividend rate a community bank pays on SBLF funding is reduced as that bank increases its lending to small businesses – providing a strong incentive for new lending to small businesses so they can expand and create jobs.

The SBLF is one part of the Obama Administration’s comprehensive agenda to help small businesses access the capital they need to invest and hire. The State Small Business Credit Initiative (SSBCI), which is also a key part of the Small Business Jobs Act, allocates \$1.5 billion to new and existing state programs that will leverage private financing to spur \$15 billion in new lending to small businesses and small manufacturers. A total of 54 states and territories applied to take part in the SSBCI and 14 states have already had their applications approved for \$488 million in SSBCI funding.

The Obama Administration has also supported 17 direct tax breaks that provide tax relief of more than \$50 billion for small businesses. These tax breaks were designed to support job creation and retention, entrepreneurship, investment, and growth. The Administration has also worked with Congress to extend and expand existing Small Business Administration loan programs that helped put more than \$42 billion in the hands of small businesses and deliver other important benefits to help small businesses expand and hire.

The full list of community banks that received funding through the first wave of SBLF capital includes the following:

- Community Trust Financial Corporation (Ruston, Louisiana) – \$48.3 million
- Level One Bancorp, Inc (Farmington Hills, Michigan) – \$11.3 million
- Pioneer Bank, SSB (Drippings Springs, Texas) – \$3.0 million
- ServisFirst Bancshares Inc. (Birmingham, Alabama) – \$40.0 million
- U&I Financial Corp (Lynnwood, Washington) – \$5.5 million
- Virginia Heritage Bank (Fairfax, Virginia) – \$15.3 million

Tom Broughton, President and CEO of ServisFirst Bancshares, Inc. said: “This lending fund program will enable us to continue to grow our small business loan portfolio and assist in the economic recovery in our markets.”

Additional SBLF funding announcements will be made on a rolling basis in the weeks ahead. For more details on the SBLF program, please visit, [link](#) and <http://www.treasury.gov/resource-center/sb-programs/Documents/SBLFTransactions/SBLF%20Transactions%20Report%20-%20THRU%2007062011.pdf> 

