

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Announces Sale of Seven SBA 7(a) Securities

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WASHINGTON – Today, the United States Department of the Treasury announced the sale of seven Small Business Administration (SBA) 7(a) securities executed through a Bid Wanted in Competition (BWIC) for approximately \$58.0 million, which represents overall gains and income of approximately \$1.3 million for those SBA 7(a) securities. The closing date for the seven securities is expected to occur on or about October 24, 2011.

SBA 7(a) securities are comprised of the portion of loans guaranteed by the Small Business Administration which finance a wide-range of small business needs, including working capital, machinery, equipment, furniture, and fixtures.

Treasury originally invested in 31 SBA 7(a) securities with a value of approximately \$368 million. Those securities were comprised of 1,001 loans from 17 different industries, including retail, food services, manufacturing, scientific and technical services, healthcare, educational services, and others. Treasury has now sold a total of 23 securities for approximately \$271.7 million, representing overall income and gains of approximately \$7.5 million. After the closing, Treasury will continue to hold 8 SBA 7(a) securities.

Treasury acquired its SBA 7(a) securities portfolio under the Troubled Asset Relief Program (TARP). Treasury purchased the securities in order to help restart the flow of credit to small businesses. Purchasing securities from participating "pool assemblers" enabled them to purchase additional small business loans from loan originators. Since Treasury began purchasing SBA 7(a) securities, the SBA 7(a) market has recovered, as exhibited by new pool issuance volumes returning to pre-crisis levels.

The disposition of these SBA 7(a) securities is part of Treasury's ongoing efforts to wind down TARP. The Obama Administration will continue its strong commitment to ensuring that small businesses have the capital they need to create jobs and strengthen economic growth through the implementation of the Small Business Jobs Act and a number of other critical programs.

EARNEST Partners, which has acted as Treasury's Financial Agent for the SBA 7(a) securities portfolio, will continue to execute the securities disposition through broker-dealers on behalf of Treasury. Prospective purchasers of SBA 7(a) securities held by Treasury should contact EARNEST Partners by e-mailing UCSBTeam@earnestpartners.com or by calling (404) 815-8772.

