

U.S. DEPARTMENT OF THE TREASURY

Treasury Announces North Carolina Approved to Receive Up to \$201.9 Million to Promote Small Business Growth and Entrepreneurship through the American Rescue Plan

July 29, 2022

Deputy Secretary Adeyemo Announced the Approval of North Carolina's State Small Business Credit Initiative (SSBCI) Plan at Event in Raleigh with North Carolina Secretary of Commerce Mabelle Baker Sanders

WASHINGTON – Today, the U.S. Department of the Treasury announced the approval of North Carolina's application for funding under the State Small Business Credit Initiative (SSBCI). President Biden's American Rescue Plan reauthorized and expanded SSBCI, which was originally established in 2010 and was highly successful in increasing access to capital for small businesses and entrepreneurs. The new SSBCI builds on this successful model by providing nearly \$10 billion to states, the District of Columbia, territories, and Tribal governments to increase access to capital and promote entrepreneurship, especially in traditionally underserved communities as they emerge from the pandemic. Deputy Secretary Wally Adeyemo announced the approval of North Carolina's plan alongside North Carolina Secretary of Commerce Mabelle Baker Sanders at the North Carolina Rural Center in Raleigh. The North Carolina Rural Center administers funding for small businesses from local and federal sources, including from the SSBCI program. As part of the announcement, Deputy Secretary Adeyemo and Secretary Sanders participated in a roundtable discussion with local small businesses and financial institutions that participated in the first round of SSBCI.

"This historic investment in entrepreneurship, small business growth, and innovation funded by the American Rescue Plan will help reduce barriers to capital access for traditionally underserved communities across the state," said Deputy Secretary of the Treasury Wally Adeyemo. "I was glad to have an opportunity to hear from North Carolina small business owners and financial institutions during my visit today and look forward to seeing the impact these funds have in promoting equitable economic growth in North Carolina."

"The State Small Business Credit Initiative provides vital support for our small businesses, particularly for those who often face challenges in accessing capital," said North Carolina

Commerce Secretary Machel Baker Sanders. “I’m excited to see how this next round of funding will help many of our state’s small, women- and minority-owned businesses across our rural communities grow and become more resilient.”

“Since 2011, the North Carolina Rural Center has administered the State Small Business Credit Initiative on behalf of the state of North Carolina,” said North Carolina Rural Center President Patrick Woodie. “We are immensely proud that the program has been a national leader in working with private lenders across the state to help more small business owners get the critical commercial capital they need to start or expand their business. We are deeply honored by the trust placed in us by the North Carolina Department of Commerce, the General Assembly, and the Office of the Governor to once again lead in the deployment of this new allotment of funding for this proven and trusted initiative.”

North Carolina, approved for up to \$201.9 million, will operate three different programs, including a loan participation program to which it has allocated \$160 million. The loan participation program expands access to capital by purchasing subordinate participations in small business loans made by financial institutions. The program helps lenders engage in small business lending and provide support to underserved businesses. The state has partnered with the North Carolina Rural Center to administer the program which aims to support communities in their efforts to revitalize central business districts, strengthen neighborhoods, foster small business recovery, and support economic growth.

SSBCI funding is expected to catalyze up to \$10 of private investment for every \$1 of SSBCI capital funding, amplifying the effects of this funding and providing small business owners with the resources they need to sustainably grow and thrive. State governments submitted plans to Treasury for how they will use their SSBCI allocation to provide funding to small businesses, including through venture capital programs, loan participation programs, loan guarantee programs, collateral support programs, and capital access programs. To date, Treasury has approved state plans totaling more than \$1.7 billion in funding to promote small business growth through SSBCI.

A [White House report released in June](#) found that more Americans are starting new businesses than ever before. In 2021, Americans applied to start 5.4 million new businesses – 20% more than any other year on record. It also found that small businesses are creating more jobs than ever before, with businesses with fewer than 50 workers creating 1.9 million jobs in the first three quarters of 2021 – the highest rate of small business job creation ever recorded in a single year. The investments being made through SSBCI are a key part of the

Biden Administration's strategy to keep this small business boom going by expanding access to capital and by providing entrepreneurs the resources they need to succeed. The work Treasury has done through the implementation process to ensure SSBCI funds reach traditionally underserved small businesses and entrepreneurs will also be critical to ensuring the small business boom not only continues but also continues to lift up communities disproportionately impacted by the pandemic. Treasury intends to continue approving state plans on a rolling basis.

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