Treasury Announces Seven Additional States to Receive up to $1.5 Billion from U.S. Treasury Department to Promote Small Business Growth and Entrepreneurship through the American Rescue Plan

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Florida, Georgia, Illinois, Louisiana, North Dakota, Oklahoma, and Virginia Approved to Receive Federal Funding Through the State Small Business Credit Initiative

WASHINGTON — Today, the U.S. Department of the Treasury announced the approval of seven additional state plans for up to $1.5 billion in funding under the State Small Business Credit Initiative (SSBCI). Treasury has now announced the approval of state plans totaling up to $6.3 billion in SSBCI funding.

“This is an historic investment in entrepreneurship, small business growth, and innovation through the American Rescue Plan that will help reduce barriers to capital access for traditionally underserved communities,” said Secretary of the Treasury Janet L. Yellen. “These SSBCI funds will promote equitable economic growth across the country.”

The 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. 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.

A White House report 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. Small businesses with fewer than 50 workers created 2.8 million jobs in 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 continues to lift up communities disproportionately impacted by the pandemic. Treasury intends to continue approving state plans on a rolling basis.

The following descriptions highlight some of the key programs that Treasury has approved for these states:

- **Florida**, approved for up to $488.4 million, will operate five programs: a collateral support program, a loan participation program, a loan guarantee program, an equity/venture capital program, and a capital access program. Florida allocated $250 million to the collateral support program, which provides cash collateral accounts to financial institutions to enhance the collateral coverage of borrowers. The program is generally modeled on a state-sponsored Small Business Administration 504 bridge loan program, which has operated since 2017. In addition, Florida allocated $100 million to the Florida Venture Capital Program, which makes equity co-investments in emerging Florida companies.

- **Georgia**, approved for up to $199.6 million, will operate five programs: a loan guarantee program, two loan participation programs, and two equity/venture capital programs. The equity/venture capital programs, allocated up to a combined $50 million, will allow the state to invest in funds as a limited partner and to make direct co-investments alongside a lead investment in small businesses. The direct equity program will target underserved businesses for co-investment opportunities and will work with local organizations, including those focused on serving minority entrepreneurs or students of HBCUs. The Georgia CDFI Program, a loan participation program allocated up to $60 million, will fund companion loans offered by enrolled CDFIs.

- **Illinois**, approved for up to $354.6 million, will operate four programs: one new loan guarantee program; two loan participation programs, one through the existing Advantage Illinois structure and one new program focused on supporting emerging businesses in the green energy sector; and a new equity/venture capital program for small businesses. All
the programs will support small businesses, with a priority on underserved businesses, such as businesses owned by low-and moderate-income individuals, people of color, and people in communities impacted by energy transitions and in rural areas. The expanded program offering through SSBCI will enable Illinois to support small businesses across the state, helping them attract more capital investment, expand or launch business operations, and support the state's transition to zero emissions.

- **Louisiana**, approved for up to $113.0 million, will operate five programs: a loan guarantee program, a loan participation program, a collateral support program, and two equity/venture capital programs. The equity/venture capital programs, allocated up to $91.5 million combined, will provide equity support for small businesses by investing as a limited partner in qualified venture capital funds. The Louisiana Seed Capital Program will target seed -to early-stage investments, and the Louisiana Venture Capital Program will support companies from the seed to series A/B financing rounds. Both programs will target impact funds focused on increasing access to equity capital for underserved startups.

- **North Dakota**, approved for up to $58.6 million, will operate two equity/venture programs. Both programs are direct investment programs that will provide equity support directly to small businesses and startups by co-investing alongside private investors. The Angel Match Program will expand access to capital for underserved communities by focusing outreach, technical assistance, and capital investment in rural communities, Tribal communities, and communities undergoing economic transitions such as coal communities. The Direct Investment Program will expand access to capital for underserved communities by emphasizing and targeting investments in underserved and very small businesses.

- **Oklahoma**, approved for up to $81.6 million, will operate two programs through the Oklahoma Center for the Advancement of Science and Technology: a loan participation program and an equity/venture capital program. Oklahoma allocated $32.7 million to the Oklahoma Business Lending Partnerships program which will provide subordinate companion loans originated by partners and CDFIs that will accompany senior loans originated by other financial institutions. Oklahoma estimates that this loan participation program alone will leverage more than $230 million in private financing and create up to 2,700 jobs with wages of at least $65,000.
• **Virginia**, approved for up to $230.4 million, will operate five programs: two loan participation, one loan guarantee, and two equity/venture capital programs. The loan programs will consist of $57 million to be deployed to eligible small businesses. The equity/venture capital programs have combined allocations of over $173.4 million. The direct program will provide equity co-investments to private capital invested in seed and early-stage technology companies and the funds program will provide limited partner investment commitments to Virginia-based venture capital firms raising new funds and will stimulate private capital investment in new Virginia-based funds investing in entrepreneurs from underserved communities in the state.

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