

## U.S. DEPARTMENT OF THE TREASURY

# Treasury Announces Approval of Up to \$890.7 Million to Support Small Business Success Across Three States

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*These State Small Business Credit Initiative funds are awarded to New Jersey, Texas, and Washington to support local small business financing and investment programs*

WASHINGTON — Today, the U.S. Department of the Treasury announced the approval of three additional state plans for up to \$890.7 million in funding under the State Small Business Credit Initiative (SSBCI) in President Biden’s American Rescue Plan: New Jersey, Texas, and Washington. Treasury has now announced the approval of state and territory plans corresponding to over \$8 billion in SSBCI funding to support small business and entrepreneurship and expand access to capital.

“Advancing equity has been a key priority of the Biden-Harris Administration since day one, including through its implementation of American Rescue Plan programs. This includes efforts to support small business growth and expand access to capital in communities across the country,” said Deputy Secretary Wally Adeyemo. “The State Small Business Credit Initiative is helping to unlock the potential of entrepreneurs in underserved communities across the nation who may have otherwise never had the support needed to pursue their business ideas and ambitions.”

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. This includes \$2.5 billion in funding and incentives to support underserved businesses. 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.

In January, the Census Bureau released data which showed that over the last two years Americans have applied to start 10.5 million new businesses, making 2021 and 2022 the strongest two years on record for new business applications. The investments being made through SSBCI are a key part of the Biden-Harris 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 SSBCI's implementation process to help these funds reach traditionally underserved small businesses and entrepreneurs will continue to be critical to ensuring the small business boom lifts up communities disproportionately impacted by the pandemic.

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

- New Jersey, approved for up to \$255.1 million, will operate six programs: a loan guarantee program, two loan participation programs, and three equity/venture capital programs. Two of the equity/venture capital programs will provide equity support to underserved businesses and qualified life sciences businesses. The Angel Match Program, allocated at \$20.2 million, will invest directly in early-stage, product-based technology companies. New Jersey has allocated \$80 million to the Clean Energy Business Financing Program, a loan participation program that will provide loans to small businesses to deploy clean energy technologies. Additional programs will support small business lending by community development financial institutions (CDFIs) and minority depository institutions (MDIs) in New Jersey.
- Texas, approved for up to \$472.0 million, will operate two programs: a capital access program and a loan guarantee program. The capital access program, allocated \$118 million, will provide portfolio insurance for business loans. The loan guarantee program, allocated \$354.1 million, will provide loan guarantees that will increase access to financing for small and medium-sized businesses.
- Washington, approved for up to \$163.4 million, will operate five programs: a collateral support program, three loan participation programs, and an equity/venture capital program. Washington allocated \$49 million to an equity/venture capital program that provides limited partner capital commitments to new venture capital funds with diverse investment teams or that are focused on investing in underserved startups or targeted investment objectives such as climate technologies. Washington also allocated \$13 million to a loan participation program that provides a bridge to growth for a variety of businesses that may need payment flexibility.

