



**CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK**

**California:
Small Business Loan
Guaranty Program and
State Small Business Credit
Initiative**



California Small Business Loan Guaranty Program (SBLGP)

The SBLGP has a successful 30 plus year history in California that has enabled small businesses to obtain term loans or lines of credit.

Since it started in 1971, the Program has guaranteed over 30,000 loans.



State Small Business Credit Initiative (SSBCI)

On October 8, 2010, the U.S. Department of the Treasury announced its grant of 168.6 million under the State Small Business Credit Initiative (SSBCI), a component of President Obama's Small Business Jobs Act, to support small businesses in California.



CA Small Business Finance Center

October 4, 2013

California Small Business Financial Assistance Act of 2013
moved the SBLGP to the newly formed

**Small Business Finance Center in the
California Infrastructure and Economic Development Bank**



California Infrastructure and Economic Development Bank (I-Bank)

I-Bank's Mission is to finance public infrastructure and economic development that promote a healthy climate for jobs, contribute to a strong economy and improve the quality of life in California communities.

I-Bank has financed over \$32 billion in economic development and infrastructure projects and is rated AA+.



CA Small Business Finance Center Goals

Promote the economic development of small businesses and stimulate entrepreneurship by making available

- capital, general management assistance, and other resources
- financial services, personnel, and business education to small business entrepreneurs, including women, veteran, and minority-owned businesses



CA SBLGP and SSBCI

Lenders are encouraged to make small business loans that are not traditionally bankable

By providing a lender with the necessary security, in the form of a guarantee, from the Trust Fund held by an independent trustee, to approve a loan or line-of-credit.

The guarantees are issued on behalf of the State by 11 non-profit Small Business Financial Development Corporations (FDC) located throughout California.



CA SBLGP and SSBCI Program Benefits

- Directed at newer/less capitalized small businesses.
- Allows a small business to establish a favorable credit history.
- Collateral generally inadequate to meet conventional requirements may qualify under the State program
- Financial Development Corporation (FDC) network offer small businesses more personalized service.



Example of a Loan

Small Business borrower needs \$500,000 for:

Tenant Improvements

\$200,000

Equipment and Inventory

\$100,000

RLOC for Working Capital

\$200,000

Lender makes two loans:

Term loan for \$300,000 with 80% State Guarantee; and
\$200,000 12- month RLOC with 80% State Guarantee



SSBCI Metrics in Accessing Capital

February 2011 thru September 30, 2013

- 475 Loans
- Loans : \$148,543,607
- State Guaranteed : \$103,087,446
- Jobs created and retained : 13,941



SBLGP Metrics in Accessing Capital

FY 2012-13

- 96 Loans
- FY Loans : \$10,650,743
- FY State Guaranteed : \$7,179,112
- Jobs created and retained : 899
- Outstanding loans 6/30/13 : \$129,126,661
- Outstanding Guar. Liability : \$35,195,738



Small Business Loans Success Stories

West Coast Surrogacy, Inc. – Small Business FDC of Orange County

- Total Project: 75,000 Term-loan and 50,000 Line of Credit
- West Coast Surrogacy, Inc. (WCS) is a services company created and founded (2007) by Amy Kaplan. WCS provides surrogacy matching and coordination of support services with regard to a volunteer surrogate, acting as a liaison between client and surrogate.
- Surrogate is a woman who consents to conceive for the benefit of a man or woman pursuant to the terms of a Surrogate Contract and to carry to birth any child so conceived. Services are rendered based upon a fee schedule whose underlying payments are earned and received as progress payments subject to certain milestones with respect to screening, gestational monitoring coaching and psychological support. Total costs and fees for most clients exceed \$100M. Amy's caseload is usually 50 cases annually which result in approximately 25 births per year. That number is expected to increase to 100 births during 2013.



Small Business Loans Success Stories

Ginger Elizabeth Chocolates – California Capital FDC

- Loan Amount: \$275,000
- Lender: Bank of Sacramento
- Purpose: Equipment and Leasehold improvement for new retail location in midtown Sacramento
- Ginger Elizabeth Haun has been in the pastry business for almost 20 years. In 2006, while working for Masques restaurant in El Dorado Hills, she started Chocolate Coutures. This business allowed her to showcase her talents and skills through wholesale business transactions with grocery stores, specialty markets, and local restaurants. She proved herself to be an excellent marketer and had created buzz through the media. Ginger opened her retail location Ginger Elizabeth Chocolates with the aid of a \$275,000 loan made by Bank of Sacramento, and guarantee from the State of California Small Business Loan Guarantee program. Since opening, she has been featured on a variety of morning news shows, and continues to build on her earlier success.



California Small Business Finance Center

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