



SMALL BUSINESS ADMINISTRATION

Funding Highlights:

- Provides \$28 billion in loan guarantees to expand credit availability for small businesses.
- Supports disaster recovery for homeowners, renters, and businesses.
- Sustains funding for technical assistance programs.
- Improves targeting of Federal contracting opportunities for small business.
- Modernizes core Agency information systems, streamlines loan processes, and enhances human capital resources.

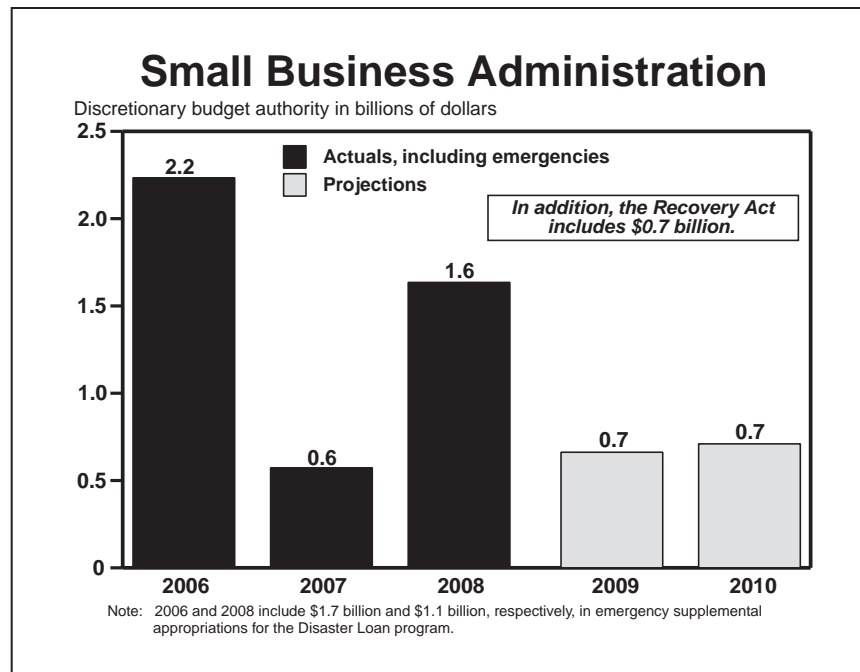
Helps Small Businesses Weather the Credit Crisis. The Budget supports: \$17.5 billion in guarantees under the Section 7(a) Guaranteed Loan program, an important source of credit for small businesses; \$7.5 billion in guaranteed debentures in the Section 504 Guaranteed Loan Program, providing Certified Development Companies financing to support commercial real estate development; \$3 billion in authority for the Small Business Investment Company debenture program; and \$25 million in Microloan volume, allowing intermediaries to provide small loans and technical assistance to entrepreneurs and other start-up businesses. In addition, the Administration's Small Business and Community Bank Lending Initiative will expand small business credit availability and affordability by unfreezing the secondary markets for small business loans—as part of the larger plan to revive the flow of credit in the Nation's economy.

Strengthens Tools to Make Government More Effective as a Partner for America's Small Businesses. SBA will leverage existing networks to reinvigorate small business lending

by deploying capital through guaranteed loans and investment products. This includes technological improvements to SBA's core operations, as outlined below, so that SBA becomes more transparent, accountable and in touch with entrepreneurs and other partners on "Main Street."

These activities will build on the substantial funding for small business credit programs recently provided by the American Recovery and Reinvestment Act. The Recovery Act provides SBA authority to increase guarantee percentages on new 7(a) loans to 90 percent, to help encourage lenders to make these loans. The Recovery Act also provides funding to enable SBA to temporarily lower fees on both 7(a) and 504 loans, expand funding for the Microloan program, and increase the size of bonds available under SBA's surety bond program. In addition, the Recovery Act includes a variety of other provisions intended to promote credit availability to small businesses.

Prepares for Disaster Assistance. The Budget supports \$1.1 billion in direct disaster



loans, the normalized 10-year average. In addition, \$101 million in new budget authority for disaster lending administrative expenses is provided; and disaster loan subsidy funding is available through estimated unobligated balances. Furthermore, in 2010 the Agency will implement a pilot program to test the Guaranteed Disaster Loan programs outlined in Public Law 110-234, the Food, Conservation, and Energy Act of 2008.

Improves Technical and Contracting Assistance Capabilities to Advise Small Businesses. The Budget supports resources for non-credit technical assistance programs, providing entrepreneurs access to counseling and business development expertise. This includes improvements to existing programs such as

Small Business Development Centers, Women's Business Centers, SCORE, and microloan technical assistance, as well as incorporating new strategies. The Budget also supports small business access to Federal prime and sub-contracting opportunities, improvements to small business procurement data, and continued reviews of small business size standards.

Modernizes the Agency for Better Performance. The Budget provides increased funding for core Agency systems and human capital improvements. This includes continued procurement of a more effective loan accounting system, and a focus on streamlining and automating lender and contracting systems.