



NEWS RELEASE

PRESS OFFICE

**Massachusetts District Office
10 Causeway Street
Boston, MA 02222
Phone: 617-565-5590**

**Contact: Elizabeth Moisuk
Public Information Officer
Phone: 617-565-5569
elizabeth.moisuk@sba.gov
Fax: 617-565-5597**

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Massachusetts Businesses Benefit from New SBA Loan Program

BOSTON - The Massachusetts District Office of the U.S. Small Business Administration has made its first loan approval under the new Small/Rural Lender Advantage (S/RLA) initiative.

“We are excited by the expansion of Small/Rural Lender Advantage into Massachusetts,” said Bob Nelson, district director of the SBA’s Massachusetts office. “This new program will allow the SBA to expand access to private capital for entrepreneurs by becoming a better partner for Massachusetts’ community banks.”

Small/Rural Lender Advantage is part of the agency’s 7(a) loan program and encourages smaller and/or rural lenders (lenders making 20 or fewer SBA loans a year) to offer SBA loans by streamlining the SBA’s loan application and approval processes. This pilot was initiated and tested in SBA’s Region VIII (North Dakota, South Dakota, Colorado, Wyoming, Utah and Montana) in January. Following enhancements to further streamline it, SBA is now extending the initiative to include all other regions.

Cape Ann Savings Bank, headquartered in Gloucester was the first lender to approve a S/RLA loan in Massachusetts.

“The SBA’s Small/Rural Lender Advantage program provided a great turnaround time for my customers and the Massachusetts SBA office helped walk us through the new guidelines,” said Robert Gillis, vice president, Cape Ann Savings Bank. “This was a positive experience for my customers and for the bank.”

The key features of Small/Rural Lender Advantage include:

- A shorter, simplified application for loans of \$350,000 or less;
- An expedited SBA loan processing time of 3-5 days for routine loans;
- Only limited, key financial documentation is required;
- An SBA guaranty of 85 percent is available for loans of \$150,000 or less; 75 percent if the loan is larger;

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- Loan applications may be faxed or e-mailed to SBA;
- A simplified loan eligibility questionnaire is provided to help small or occasional SBA lenders understand SBA's eligibility criteria; and
- SBA provides specialized assistance to small/rural lenders on complex eligibility issues.

This new service is intended to increase SBA's market penetration with smaller lenders and in rural areas. By streamlining the process and reducing the paperwork, SBA is intent on helping increase SBA loan activity which is especially important in the current economy.

The U.S. Small Business Administration is an agency of the federal government. SBA guarantees loans made by financial institutions such as banks and credit unions. For more information on Small/Rural Lender Advantage, contact the Massachusetts District Office at (617) 565-5590.

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