



NEWS RELEASE

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SBA Sets 50-Year Record in Loans to Small Businesses, Registers 29% Increase in FY 2003; Loans to Minorities Up 38%

Results Support Agency's Emphasis on Easing Process for Smaller Loans

WASHINGTON – A record number of small businesses turned for credit assistance to the U.S. Small Business Administration over the past year, producing a 29 percent increase in the total number of loans backed by the agency in FY 2003, including sharp jumps in the number of loans to women, minorities and veterans.

During the fiscal year ending September 30, the SBA backed 76,465 loans to small businesses in the agency's three major loan programs.

"These loans demonstrate our commitment to meeting the unique financing needs of small businesses everywhere, and the impressive increase we have posted for the past year validates our approach to making smaller loans more readily available to the real job creation engine of our economy," said SBA Administrator Hector V. Barreto.

"By focusing on a smaller average loan size we are leveraging our resources to assisting more small businesses and creating more jobs. Based on statements from our borrowers, our financial backing helped the small businesses of America create or retain more than 526,000 jobs."

The overall increase in loan approvals under the SBA's three major loan programs, the 7(a) General Business Loan Guaranty program, the Certified Development Company (or 504) loan program and the Microloan program, came to 29.8 percent, reflecting an increase from 59,563 loans in FY 2002 to 76,465 loans in FY 2003.

Strong increases were registered in the two larger programs: 7(a) loans were up by 30.3 percent and 504 loans rose by 25.2 percent. The number of Microloans fell slightly, by 5 percent.

In total, loans to small businesses owned by minorities increased by 38 percent, from 15,836 in FY 2002 to 21,830 in FY 2003. Within that total, loans to African Americans increased by 61 percent, loans to Hispanic Americans increased by 39 percent, loans to Asian Americans increased by 31 percent and loans to Native Americans increased by 18 percent. Loan approvals for women small business owners increased by 33 percent, to 16,503 loans, and loans to veteran-owned small businesses rose by 22 percent, to 7,413 loans.

