



# NEWS

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## ***SBA, PRIVATE SECTOR BIDDERS MEET TO FRAME DECEMBER SALE OF \$1.16 BILLION IN LOANS***

WASHINGTON – Private sector bidders got a look this morning at \$1.16 billion in U.S. Small Business Administration (SBA) loans that will be offered up in December in one of the largest asset sales in the history of the agency.

**“The asset sales program is an excellent example of how the Clinton/Gore Administration is re-inventing government,”** said SBA Administrator Aida Alvarez. **“It’s about getting back to basics – letting the private sector do what it does best while focusing on our core mission.”**

The sale, scheduled for December 5, will be the third sale of loans from the SBA’s portfolio of small business and disaster loans. In the previous two sales, in August 1999, and August 2000, SBA cleared its books of performing, non-performing and under-performing loans with an unpaid principal balance of about \$1.5 billion.

Those two sales netted \$725 million, which was returned to the U.S. Treasury.

The December sale will include loans with an estimated unpaid principal balance of \$1.16 billion from SBA’s 7(a), 504 and disaster loan programs, including many that are secured by commercial and residential real estate.

The loans have been divided into 46 pools, with eight of those pools set aside for smaller investors.

The SBA asset sales program is part of the Clinton/Gore Administration’s initiative to reduce the amount of debt owned and serviced by the federal government. A reduced loan portfolio will enable SBA to re-deploy servicing staff to mission-critical functions and to meet the needs of additional small businesses.

The SBA’s continuing asset sales are part of the agency’s strategic plan to sell almost \$10 billion in loans from its portfolio through FY 2003.

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It's also a key part of SBA's Systems Modernization Initiative (SMI) which requires turning more loan servicing functions over to the private sector and implementing an automated lender monitoring system.

The SBA is also using the latest in technology to conduct the sale. For a fee, SBA will provide around-the-clock Internet access to loan portfolio information so that bidders can perform due diligence on the loans being offered. Also, an abbreviated version of today's bidder's conference is scheduled to be available on October 11, on the agency's web site at [www.sba.gov/assets/sale3.html](http://www.sba.gov/assets/sale3.html).

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*Additional information about SBA's programs and services is available at SBA's Web site: <http://www.sba.gov> or by calling the SBA's Answer Desk at 1-800 U ASK SBA.*

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