



## **CREDIT FOR SUCCESS**

### The Regional Lending Consortia Program

#### **Introduction:**

Small businesses are expected to drive our economic recovery and supply more than 60% of new jobs. Despite the fact that most banks serving New York continue to lend to small business, there is a perception that creditworthy borrowers are not able to access credit. Clearly, lending to small businesses has contracted, but so has the universe of creditworthy small businesses that are willing to invest in their businesses in these challenging times.

NYBDC has contacted many of its member banks in order to form regional lending consortia to provide small businesses with an independent “second look” at a loan application that has been declined by the bank of account. The propositions supporting creation of the regional loan funds are as follows:

- Small businesses provide the backbone of our economy and employ the vast majority of those employed in the private sector.
- The success of small businesses in the near term will have tremendous impact on the pace and quality of our economic recovery.
- New York banks are committed to providing access to capital to creditworthy small businesses.
- An independent second look, based on the SBA eligibility requirements combined with business/strategic counseling, may identify creditworthy small businesses that would not otherwise be able to access credit.

#### **Regional Consortia:**

- **Albany** – Albany, Columbia, Fulton, Greene, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren and Washington counties.
- **Binghamton** – Broome, Chemung, Chenango, Delaware, Madison, Otsego and Tioga counties.
- **Buffalo** – Alleghany, Cattaraugus, Chautauqua, Erie, Niagara, Orleans and Wyoming counties.
- **North Country** – Clinton, Essex, Franklin, Hamilton, Herkimer, Jefferson, Oneida, Lewis, St. Lawrence counties.
- **Rochester** – Genesee, Livingston, Monroe, Ontario, Schuyler, Seneca, Steuben, Wayne and Yates counties.
- **Syracuse** – Cayuga, Cortland, Onondaga, Oswego, Seneca and Tompkins counties.
- **Hudson Valley** – Putnam, Orange, Rockland, Sullivan and Westchester counties.

**Eligibility:**

Applications for this program will only be accepted from small businesses located in a region served by a consortium. The small business must first make the loan application to and be declined by its bank of account. Additionally, the small business must agree to seek business counseling from the Small Business Development Center serving the region. The counseling must be substantially completed prior to the approval of the loan. Applicants must meet all eligibility requirements of the SBA. If a business is located in an area not currently served by a regional lending consortium, it should still contact NYBDC as it may still qualify for a loan.

**Uses of Loan Funds:**

Refinance, working capital and equipment purchases.

**Loan Amounts:**

Loan amounts shall be not less than \$25,000 and not more than \$150,000.

**SBA Guaranty:**

All loans shall be guaranteed by the SBA for at least 85% of the principal balance of the loan. In order to be approved for a loan, the borrower must meet all of the eligibility requirements of the SBA.

**Loan Application:**

A loan applicant must first apply to its current bank of account for the loan and be declined in writing. The applicant must next contact the NYS Small Business Development Center (SBDC) at [www.nyssbdc.org](http://www.nyssbdc.org) or by telephone at 800-732-7232 to request an appointment for business counseling. Once contact has been made with the SBDC and a counselor has been assigned, the applicant or the counselor should contact NYBDC via email at [secondlook@nybdc.com](mailto:secondlook@nybdc.com) or by telephone at 800- 923-2504.