

Attachment 23A

Explanatory Note for Small Business Administration (SBA) Report August 2, 2010

SBA established three TAFS accounts for Recovery Act appropriations, which fund a total of 16 projects/activities.

1. SBA received \$69 million in appropriation to fund Salary and Expenses for 11 new projects that are Categorically Excluded. As of June 30, 2010, over \$48 million in ARRA funding has been obligated for the 11 projects, which are:
 - a. Microloan Grant project
 - b. Automation project
 - c. Nine Capital Access Projects:
 - i. Section 501: Fee Reduction/Elimination
 - ii. Section 502: 90% Guarantee
 - iii. Section 503: Secondary Market Guarantee Authority
 - iv. Section 504: Certified Development Company (CDC) Lending (low interest financing and job creation goals)
 - v. Section 505: Small Business Investment Company (SBIC) Program changes
 - vi. Section 506: Business Stabilization (America's Recovery Capital [ARC] Loans)
 - vii. Section 508: Surety Bonds
 - viii. Section 509: Secondary Market Lending Authority
 - ix. Microloans
2. SBA received \$15 million in appropriation to fund one project in the Surety Bond Guarantee program that is Categorically Excluded. As of June 30, 2010, \$0 has been obligated for this project.
3. SBA received \$636 million in credit subsidy appropriation to fund four projects*. The four projects did not require NEPA review. These projects and activities accounted for over \$562 million in ARRA funding that has been obligated for the business loan program as of June 30, 2010. The four business loan projects are:
 - a. Two projects in the guaranteed loan programs (fee reduction and 90% guarantee)
 - b. One project in the Microloan program
 - c. One project in the Business Stabilization program (now called "ARC Loans")

*NEPA reporting does not apply to these ARRA TAFS because individual loans are not major federal actions significantly affecting the environment. See, for example the recent decision in *Center for Biological Diversity v. United States Department of Housing and Urban Development*, 541 F. Supp.2d 1091 (D. Ariz. 2008).

###