

Attachment 24A

Explanatory Note for Small Business Administration (SBA) Report May 3, 2010

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

The SBA received \$69 million in appropriation to fund Salary and Expenses for 11 new projects that are Categorically Excluded. As of March 31, 2010, over \$16 million in ARRA funding has been obligated for the 11 projects, which are:

1. Microloan Grant project
2. Automation project
3. Nine Capital Access Projects:
 - a. Section 501: Fee Reduction/Elimination
 - b. Section 502: 90% Guarantee
 - c. Section 503: Secondary Market Guarantee Authority
 - d. Section 504: Certified Development Company (CDC) Lending (low interest financing and job creation goals)
 - e. Section 505: Small Business Investment Company (SBIC) Program changes
 - f. Section 506: Business Stabilization (America's Recovery Capital [ARC] Loans)
 - g. Section 508: Surety Bonds
 - h. Section 509: Secondary Market Lending Authority
 - i. Microloans

The SBA received \$15 million in appropriation to fund one project in the Surety Bond Guarantee program that is Categorically Excluded. As of March 31, 2010, no funds have been obligated for this project.

The SBA originally received \$636 million in credit subsidy appropriation to fund four projects. On December 22, 2009, SBA received \$125 million in additional credit subsidy to extend some Recovery loan provisions. As a result, SBA included this additional amount in SBA's submission dated December 31, 2009. However, it was subsequently determined that extension funding should not be included in Recovery Act reporting; the funding shown on row 3 of page 1 of the SBA Spreadsheet now reports the original appropriation and related obligations. The four projects did not require NEPA review because the SBA had no discretionary decision making. These projects and activities accounted for over \$539 million in ARRA funding that has been obligated for the business loan program as of March 31, 2010. The four business loan projects are:

1. Two projects in the guaranteed loan programs (fee reduction and 90% guarantee)
2. One project in the Microloan program
3. One project in the Business Stabilization program (now called "ARC Loans")

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