Attachment 23A

Explanatory Note for Small Business Administration (SBA) Report
May 2, 2011

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

1. SBA received $69 million in appropriation to fund Salary and Expenses for 11 new projects that were Categorically Excluded. As of March 31, 2011, $69 million in ARRA funding was obligated for the 11 projects, which were:
    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 was Categorically Excluded. As of March 31, 2011, $0 was 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 $578 million in ARRA funding that was obligated for the business loan program as of March 31, 2011. The four business loan projects were:
    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).

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