



Louisiana: State Small Business Credit Initiative (SSBCI)

**Up to \$113 million for
Louisiana small businesses**

Louisiana SSBCI Programs include:

- Louisiana Micro Lending Program
- Louisiana Collateral Support Program
- Louisiana Small Business Loan Guaranty Program
- Louisiana Seed Capital Program
- Louisiana Venture Capital Program



The U.S. Treasury issued guidelines on November 10, 2021, for states applying for the State Small Business Credit Initiative (SSBCI), which was reauthorized in the 2021 American Rescue Plan Act (ARPA). SSBCI funds are federal dollars provided to support small business capital and technical assistance programs as a response to the economic effects of the COVID-19 pandemic. This funding is made available to Gov. John Bel Edwards, who has designated Louisiana Economic Development (LED) for deployment via the Louisiana Economic Development Corporation (LEDC) to administer the program and disburse funds. LED submitted the Louisiana SSBCI application to the U.S. Treasury on February 11, 2022. The U.S. Treasury announced Dec. 6, 2022, that it has approved Louisiana for an SSBCI allocation of up to \$113 million.

2021 State Small Business Credit Initiative (SSBCI) Programs

Reauthorized by the 2021 American Rescue Plan Act (ARPA)

The SSBCI credit support programs offer a flexible, effective and efficient use of SSBCI funds by providing direct support for small business lending and investment. LED submitted its application for this support to the U.S. Treasury. As a result, small businesses may access collateral support programs, micro lending programs, state-sponsored venture capital programs, loan guaranty programs and other similar

programs. These programs will be consistent with U.S. Treasury’s emphasis on serving Very Small Businesses (VSBs) and entrepreneurs or small businesses owned by Socially and Economically Disadvantaged Individuals (SEDI).

- Louisiana-based small businesses with fewer than 100 employees and up to 500 employees qualify.

Program Type	Overview	Details/ Benefits
Micro Lending (MLP)	Establishes a revolving loan fund with Louisiana Community Development Financial Institutions (CDFIs) and other qualifying lenders, to provide financial assistance to very small businesses with either start-up or expansion business needs.	Smaller financing needs \$1,000 - \$100,000
Collateral Support (CSP)	Establishes pledged cash collateral accounts with participating institutions to enhance loan collateral for those businesses where a collateral shortfall exists.	Up to \$250,000 cash collateral support, \$1 million max loan
Small Business Loan Guaranty (SBLG)	Provides a loan guaranty to banks and other small business lenders on the loans to Louisiana-based small businesses to help with their business development or expansion needs.	Up to 80% or \$1.5 million max guaranty
Seed Capital	Funds placed with a venture capital fund to assist in the support of private financing through investments to create and grow start-up and early stage businesses.	1:1 match, max \$5 million/fund
Venture Capital	Funds within a venture capital fund to assist in the support of private financing through investments for the expansion of small businesses.	4:1 Match on for-profits, max \$10 million/fund 2:1 Match on nonprofits, max \$10 million/fund

For more information, visit LouisianaSSBCI.com or email LEDSSBCI2@la.gov or call 1.833.457.0531

Benefitting Small Businesses and Lenders

In addition to helping promote economic development and create jobs in Louisiana, these programs benefit both small businesses and lenders.

SMALL BUSINESS BORROWERS

Provides small business loans at attractive terms

Provides a flexible resource for funding

Provides fast disbursement of funds to the borrower

Allows borrowers to receive a quick response to a loan request

LENDERS

Provides lender reduced risk of loss

Allows lender the ability to approve a loan that would otherwise be declined due to high Loan-to-Value/Loan-to-Cost/Collateral Shortfall

Helps the lender retain client and ancillary banking services

Provides the lender Community Reinvestment Act (CRA) credit for each transaction



Use of Proceeds

Proceeds must be used for a business purpose, including (but not limited to) the following:

- Working capital
- Equipment
- Term loan financing
- Purchase or construction of owner-occupied real estate

For-Profit and Nonprofit Businesses that Qualify

SSBCI transactions for a qualifying business purpose are available to for-profit and nonprofit entities in Louisiana, including:

- For-profit corporation
- Limited liability company
- Partnership
- Joint venture
- Sole proprietorship

For Information on LED Business Incentives please visit www.OpportunityLouisiana.com/business-incentives.

OpportunityLouisiana.com | 800.450.8115 | 225.342.3000