



NEW YORK STATE SENATOR

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## Governor Cuomo & U.S. Treasury Department Announce \$55 Million in Federal Funding for Small Business Credit Programs

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Governor Andrew M. Cuomo today announced that the U.S. Department of the Treasury has approved New York's State Small Business Credit Initiative (SSBCI) application. This will allow the state to access \$55.4 million in federal money to fund three new small business lending programs. These programs will enable small businesses to leverage new capital and credit to help them create private sector jobs.

The SSBCI program, which supports state-level, small-business credit programs, is an important component of the Small Business Jobs Act President Obama signed into law. Under the Small Business Jobs Act, New York's access to \$55.4 million in SSBCI funds is expected to generate a minimum of at least \$10 in new private lending for every \$1 in federal funding, yielding more than \$554 million in new private capital for small businesses to create jobs.

"Winning this federal funding is another key step in having state government partner with the private sector to create jobs for New Yorkers across the state. For too long, state government stood in the way of private investment and growth. With this new funding, we can spur new investment in small businesses, which is essential to creating the jobs that will get New York's economy working again," Governor Cuomo said.

The state will use these funds to support three small business development programs:

- **The Innovate NY Fund**, a new seed-stage equity fund to support innovation, job creation, and high growth entrepreneurship throughout the state; SSBCI provides approximately \$26 million for this program;
- **The Capital Access Program**, a newly expanded program that will provide matching funds to loan loss reserve pools at financial institutions as an incentive to increase small business lending;

SSBCI provides approximately \$19 million for this program; and

- **The Bonding Guarantee Assistance Program**, a newly activated program that provides credit support to help small and minority- and women-owned businesses secure bonding; SSBCI provides approximately \$10 million for this program.

Under the State Small Business Credit Initiative, all states are offered the opportunity to apply for federal funds for state-run programs that partner with private lenders to increase the amount of credit available to small businesses. States must demonstrate a reasonable expectation that a minimum of \$10 in new private lending will result from every \$1 in federal funding. Accordingly, the overall \$1.5 billion federal funding commitment for this program is expected to result in at least \$15 billion in additional private lending nationwide.

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