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Small Business Administration loans use remains popular

BY CATHERINE LACKNER



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Small Business Administration (SBA) loans – backed by the US government and intended to help consumers with limited access to conventional financing to start, build and grow businesses – remain popular even in economic boom times, observers say.

"During 2015, we facilitated more than \$9 million in 7(a) loans and 504 loans," said Calixto Garcia-Velez, executive vice president and Florida region executive for FirstBank Florida. "In 2016 to date, we already have requests for more than \$12 million in SBA loans."

The SBA's 7(a) product is a general small business loan; 504 loans are intended for the financing of real estate and equipment.

"We are at a positive convergence in which the SBA is making it easier for financial insti-

tutions to lend," Mr. Garcia-Velez said. "More small business owners desire to expand. Our position as a community bank inherently woven into the fabric of South Florida allows us to best understand the economic requirements of local businesses. As such, we are seeing a year-over-year increase in loan requests."

"The general trend in lending continues on an upward path as the economy improves," said Hal Lewis, a partner in the Pathman Lewis law firm who focuses his practice on banking. "Bank lending is getting more robust, and small-business lending continues to be strong."

Loans backed by the SBA "do require scrutiny, and they probably aren't for everybody," he said. "But they are less risky for banks, so there are a number of SBA lenders here. And they provide a way for small businesses to get a line of credit that is not necessarily backed by assets and receivables."



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