

## SMALL BUSINESS

# SBA sets Del. record

## Number of small business loans up 13%

By Eric Ruth

The News Journal

An increasingly optimistic mindset among Delaware's small business owners helped boost federally backed lending to record levels over the last 12 months.

During the fiscal year that concluded at the end of September, the state office of the Small Business Administration backed 133 loans worth \$57.7 million, a 13 percent increase in loan volume from 2011 and a 73 percent increase in dollar amount lent.

That performance topped the all-time record for SBA-backed dollars lent in Delaware, set in 2006 at \$42.3 million. Loans issued during the 2012 fiscal year helped to create or retain more than 1,700 jobs in Delaware, the SBA said.

The increasing participation of existing lending partners was supplemented in FY2012 by several new banks that wanted to join in, said Tony Leta, SBA's Delaware District director.

"We are extremely fortunate to have a

strong small business community in Delaware that is responding to more favorable economic conditions by expanding their businesses and hiring new employees," Leta said. "We are equally fortunate to have a great cadre of SBA-certified banks and credit unions that step up and meet the capital needs of the Delaware small business community."

M&T Bank, which is perennially an SBA loan leader in the areas it serves, led the way among banks in Delaware with 34 loans. Citizen's Bank was runner up for the fiscal year with 19 loans. Applied Bank was tops in dollar volume, approving \$9.9 million in loans since joining as an SBA lender last year.

All three of Delaware's counties saw sizable jumps in lending: 37 percent higher than 2011 in Kent County; 114 percent in New Castle; and 30 percent in Sussex. Lending total were also boosted by the addition of three new SBA lenders - Applied Bank, MidCoast Bank, and First National Bank of Wyoming. Together, they issued 18 loans worth \$13 million in their first few months of participation.

At Applied Bank, the quick embrace of SBA loans was driven in part by the program's flexible payment terms and by the rising demand from borrowers. "We just felt that the SBA would provide us with a tool, an additional tool to allow us to better serve the businesses of Delaware," said Joe Crowley, chief operating officer.

The SBA said FY2012 also was a solid year for lending to what it considers "underserved markets." Women-owned businesses received 41 loans; minority-owned businesses got 30; veteran-owned businesses got nine. "Additionally, four of the loans were to businesses to increase their exports to foreign countries," the SBA noted.

Looking ahead, Leta sees the potential for continued momentum.

"We are seeing banks are being a little less restrictive, more open," he said. "We are seeing a little looser purse strings and more loans being approved. ... You hear more businesses talking about maybe now's the time to take that leap they've wanted to take."

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### LENDING

#### Suddenly, credit card delinquencies level off

The welcome slide in delinquencies by credit card customers came to a sudden halt in September, according to industry observer Bill Hardkopf at [lowCards.com](http://lowCards.com).

The five major issuers - Bank of America, American Express, Chase, Discover and Capital One - all showed slight increases in their rate of delinquency, defined as an account that is 30 or more days overdue.

Bank of America and Chase both base their credit card operations in Delaware.

The increase in delinquency corresponds with the increase in retail sales in August and September, Hardkopf noted. Here's a look at the delinquency and charge-off rates for the major issuers:

\* Bank of America delinquency rate