

# Factors Influencing the Use of SBLF Funds Survey | 2013

## INSTRUCTIONS

The Office of Small Business Lending Fund Oversight (SBLF Oversight Office) is requesting all SBLF participating institutions submit an accurate and timely completion of the following Factors Influencing the Use of SBLF Funds Survey. Completion of this survey is required by Section 3.1 (c)(i)(z) of your Securities Purchase Agreement. This survey includes questions about: (1) your institution's participation in the SBLF program and seeks your opinion on the Department of Treasury's administration of the program; (2) factors influencing your institution's use of SBLF funding; (3) your institution's financial data obtained from Call Reports and the Use of Funds Reports submitted to Treasury; and (4) your future participation with the SBLF program.

The Small Business Jobs Act of 2010 (the Act) that established the SBLF program also created the SBLF Oversight Office. By law, the SBLF Oversight Office must report at least twice a year to the Secretary of the Treasury and Congress on the results of its SBLF oversight activities including audits and investigations of the SBLF program.

## SUBMISSION OF THIS SURVEY

Please submit your responses to this use of SBLF funds survey by TBD date by electronically entering the requested data directly onto the survey form and emailing the completed copy to the Office of SBLF Oversight at [TBD@treas.gov](mailto:TBD@treas.gov).

## FREEDOM OF INFORMATION ACT

Respondents are notified that this survey, as a record of the Office of the Special Deputy IG for SBLF Program Oversight, may be subject to requests for disclosure made under the Freedom of Information Act, 5 U.S.C. Section 552. It is the policy of the United States Government and this office to make public records available unless a disclosure exemption incorporated in the FOIA is specifically applicable. Information provided in this survey that qualifies as proprietary information under Exemption 4, 5 U.S.C Section 552(b)(4), will not be released in response to a FOIA request or otherwise be made available without consultation with the information provider. For further information, contact the Office of Counsel, Treasury Office of Inspector General, 740 15<sup>th</sup> Street, N.W., Washington, D.C. 20220, 202-927-0650, [OIGCounsel@oig.treas.gov](mailto:OIGCounsel@oig.treas.gov).

## QUESTIONS

If you have any questions regarding the completion of this survey, please contact \_\_\_\_\_ at \_\_\_\_\_.

## SIGNATURE

I attest that this lending survey is true and correct to the best of my knowledge and belief.

Signature of Senior Executive	Date
-------------------------------	------

Name of Senior Executive	Title
--------------------------	-------

Name of Institution
---------------------

City	State	Zip
------	-------	-----

SBLF#				
-------	--	--	--	--

The Federal Government may not collect, and the public is not required to respond to, an information collection request unless it displays a valid OMB Control Number. The control number for this collection is 1505-0246 (expires 08/31/2015). The public reporting burden for this information collection is estimated to be 2 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection.

## Part I. Your Institution's Participation in the Small Business Lending Fund program

1. Is your institution a Small Business Administration (SBA) Lending Partner? Yes  No
2. In administering the SBLF program over the past year, please identify in what area(s) Treasury is doing well (Select all that apply):

a) Level of responsiveness in communications with your institution	
b) Management of quarterly supplemental reporting process including data validation and quality control reviews	
c) Resolving questions/concerns you have about the program, reporting requirements or other issues	
d) Timely notification of certification filing deadlines	
e) FAQs or webinars concerning topics of interest to your institution	
f) Other area(s), please describe: _____	

For each item selected above, please describe:

3. In administering the SBLF program over the past year, please identify in **what area(s) Treasury could improve** (**Select all that apply**):

a) Level of responsiveness in communications with your institution	
b) Management of quarterly supplemental reporting process including data validation and quality control reviews	
c) Resolving questions/concerns you have about the program, reporting requirements or other issues	
d) Timely notification of certification filing deadlines	
e) FAQs or webinars concerning topics of interest to your institution	
f) Other area(s), please describe: _____	

For each item selected above, please describe:

## Part II. Factors Influencing your Institution's Use of SBLF Funding

4. Has the SBLF funding allowed your institution to increase the availability of credit for small businesses? **Yes**  **No**

For question 4, please describe why or why not:

5. How does your institution **primarily** view the use of SBLF funding (**Select all that apply**)?

a) As a source of funds to make small business loans	
b) As a source of funds to make other loans	
c) As a source of funds to make other investments	
d) As a capital base to leverage deposit growth in order to increase assets by a multiple of the SBLF capital	
e) Other, please describe: _____	

For each item selected above, please describe:

**For Questions 6-18, Please answer the following questions for the period from the date your institution received the SBLF funding through November 1, 2012 (TBD).**

6. Did the your institution use SBLF funding to increase SMALL BUSINESS LENDING or reduce it by less than otherwise would have occurred?  
Yes  No

If Yes, which **factor(s) most influenced** you to use the SBLF funding to increase SMALL BUSINESS LENDING (**Select all that apply**):

a) Achieving a higher capitalization ratio (Equity to Assets)	
b) Ability to increase deposits for additional funding of loans	
c) Better economic conditions or outlook	
d) Requirement of the SBLF program incentive to achieve a lower dividend rate	
e) Increase in loan demand	
f) Ability to achieve sufficient loan margin	
g) Other factor(s) (specify): _____	

7. Did your institution use SBLF funding to increase OTHER BUSINESS LENDING or reduce it by less than otherwise would have occurred?  
Yes  No

If Yes, which **factor(s) most influenced** you to use the SBLF funding to increase OTHER BUSINESS LENDING (**Select all that apply**):

a) Achieving a higher capitalization ratio (Equity to Assets)	
b) Ability to increase deposits for additional funding of loans	
c) Better economic conditions or outlook	
d) Increase in loan demand	
e) Ability to achieve sufficient loan margin	
f) Other factor(s) (specify): _____	

8. Did your institution use SBLF funding to increase OTHER NON-BUSINESS LENDING or reduce it by less than otherwise would have occurred? Yes  No

If Yes, which **factor(s) most influenced** you to use the SBLF funding to increase OTHER NON-BUSINESS LENDING (**Select all that apply**):

a) Achieving a higher capitalization ratio (Equity to Assets)	
b) Ability to increase deposits for additional funding of loans	
c) Better economic conditions or outlook	
d) Increase in loan demand	
e) Ability to achieve sufficient loan margin	
f) Other factor(s) (specify): _____	

9. Did your institution use SBLF funding to increase SECURITIES PURCHASED? Yes  No

If Yes, which **factor(s) most influenced** you to use the SBLF funding to increase SECURITIES PURCHASED (**Select all that apply**):

a) Achieving a higher capitalization ratio (Equity to Assets)	
b) Ability to increase deposits for additional funding of assets	
c) To increase liquidity	
d) Insufficient loan demand	
e) Ability to achieve sufficient loan margin	

f) Other factor(s) (specify): _____	
-------------------------------------	--

10. Did your institution use SBLF funding to make OTHER INVESTMENTS? Yes  No

If Yes, which **factor(s) most influenced** you to use the SBLF funding to make OTHER INVESTMENTS (**Select all that apply**):

a) Achieving a higher capitalization ratio (Equity to Assets)	
b) Ability to increase deposits for additional funding of assets	
c) To increase liquidity	
d) Insufficient loan demand	
e) Ability to achieve sufficient loan margin	
f) Other factor(s) (specify): _____	

11. Did your institution use SBLF funding to increase RESERVES FOR NON-PERFORMING ASSETS? Yes  No

If Yes, which **factor(s) most influenced** you to use the SBLF funding to increase RESERVES FOR NON-PERFORMING ASSETS (**Select all that apply**):

a) Achieving a higher capitalization ratio (Equity to Assets)	
b) Anticipated increases in capital regulatory requirements	
c) Concern over reduced loan quality	
d) Downgrade in economic conditions or outlook	
e) Other factor(s) (specify): _____	

12. Did your institution use SBLF to reduce BORROWINGS? Yes  No

If Yes, which **factor(s) most influenced** you to use the SBLF funding to reduce BORROWINGS (**Select all that apply**):

a) Achieving a higher capitalization ratio (Equity to Assets)	
b) Ability to increase deposits to reduce borrowings	
c) Better economic conditions or outlook	
d) To increase liquidity	
e) Insufficient loan demand	
f) Ability to achieve sufficient loan margin	
g) Other factor(s) (specify): _____	

13. Did your institution use SBLF funding to increase CHARGE-OFFS? Yes  No

If Yes, which **factor(s) most influenced** you to use the SBLF funding to increase CHARGE-OFFS (**Select all that apply**):

a) Achieving a higher capitalization ratio (Equity to Assets)	
b) Reduced loan quality	
c) Downgrade in economic conditions or outlook	
d) Other factor(s) (specify): _____	

14. Did your institution use SBLF funding to PURCHASE ANOTHER FINANCIAL INSTITUTION OR PURCHASE ASSETS FROM ANOTHER FINANCIAL INSTITUTION? Yes  No

If Yes, which **factor(s) most influenced** you to use the SBLF funding to PURCHASE ANOTHER FINANCIAL INSTITUTION OR PURCHASE ASSETS FROM ANOTHER FINANCIAL INSTITUTION (**Select all that apply**):

a) Achieving a higher capitalization ratio (Equity to Assets)	
b) Ability to increase deposits for additional funding of assets	
c) Better economic conditions or outlook	
d) Other factor(s) (specify): _____	

15. Did your institution use SBLF funding to HOLD SBLF FUNDS AS NON-LEVERAGED INCREASE IN TOTAL CAPITAL? Yes  No

If Yes, which **factor(s) most influenced** you to use the SBLF funding to HOLD SBLF FUNDS AS NON-LEVERAGED INCREASE IN TOTAL CAPITAL (**Select all that apply**):

a) Achieving a higher capitalization ratio (Equity to Assets)	
b) Anticipated increases in capital regulatory requirements	
c) Downgrade in economic conditions or outlook	
d) Other factor(s) (specify): _____	

16. Did your institution use SBLF funding to PAY DIVIDENDS OR REDEEM OUTSTANDING EQUITY OR DEBT? Yes  No

If Yes, which **factor(s) most influenced** you to use the SBLF funding to PAY DIVIDENDS OR REDEEM OUTSTANDING EQUITY OR DEBT (**Select all that apply**):

a) Shareholder desire or request	
b) Requirement to pay off TARP investment	
c) Achieving a higher capitalization ratio (Equity to Assets)	
d) Ability to increase deposits for additional funding to pay dividends or redeem outstanding equity or debt	
e) Better economic conditions or outlook	
f) Insufficient loan demand	
g) Ability to achieve sufficient loan margin	
h) Other factor(s) (specify): _____	

17. Did your institution use SBLF to take OTHER ACTIONS not already addressed in the above questions? Yes  No

If Yes, please describe the other action and the factor(s) leading to this action:

--

18. (Former TARP/CPP recipients ONLY) What are the primary factor(s) that influenced your institution to apply to the SBLF program (**Select all that apply**)?

a) The ability to refinance and exit TARP using SBLF funding	
b) SBLF funding provides a more stable source of equity to be used as a base to leverage asset growth with deposits	
c) SBLF funding is a lower cost source compared to the TARP/CPP investment	

d) Ability to increase deposits for additional funding to pay dividends or redeem outstanding equity or debt	
e) Achieving a higher capitalization ratio (Equity to Assets)	
f) Other factor(s) (specify): _____	

For each item selected above, please describe:

### Part III. Questions on Financial Data from Your Institution & the SBLF Program

19. Your institution's (or subsidiary's) Deposits/Equity ratio was \_\_\_\_\_ at the quarter your institution received the SBLF funds (**Q3 2011 or Q2 2011**) and was \_\_\_\_\_ at June 30, 2012. Did the SBLF funding contribute to the change in the Deposits/Equity ratio from date of funding to June 30, 2012? Yes  No

Please describe why or why not:

What OTHER factor(s) contributed to the change in this ratio?

20. Your institution's (or subsidiary's) ratio of qualified small business lending (QSBL) to Total Assets was \_\_\_\_\_ at the quarter your institution received the SBLF funds (**Q3 2011 or Q2 2011**) and was \_\_\_\_\_ at June 30, 2012. Did the SBLF funding contribute to the change in the QSBL/Assets ratio from date of funding to June 30, 2012? Yes  No

Please describe why or why not:

What OTHER factor(s) contributed to the change in this ratio?

21. Your institution's outstanding QSBL balance was \$\_\_\_\_\_ at the end of the quarter your institution received the SBLF funds, and was \$\_\_\_\_\_ on June 30, 2012, for a change of \$\_\_\_\_\_.

Your institution's equity capital was \$\_\_\_\_\_ at the end of the quarter your institution received the SBLF funds, and was \$\_\_\_\_\_ on June 30, 2012, for a change of \$\_\_\_\_\_.

Given SBLF capital injection in your institution, please explain why the change in QSBL lending was more or less than the change in equity:

22. Your institution's **average** outstanding balances for the Call Report lines associated with small business lending (RC-C Part 1 items 1b, 1e.1, 3, and 4)<sup>1</sup> **for the four quarters of 2006**, prior to the last recession (December 2007 to June 2009 according to National Bureau of Economic Research), was \$\_\_\_\_\_.

Your institution's outstanding balances as of June 30, 2012 in these categories is \$\_\_\_\_\_ (according to call report information, unadjusted by SBLF exclusions).

Would you say that your institution's current (June 30, 2012) lending activity in these areas (**Select the best answer**):

a) Has increased from the time preceding the last recession	
b) Is about the same level as the time preceding the last recession	
c) Has decreased from the time preceding the last recession	

For your answer to question #22, what are the primary factor(s) that contribute to your answer (**Select all that apply**)?

a) The receipt of SBLF funding	
b) Increase in loan demand	
c) Decrease in loan demand	
d) Improvement in economic conditions	
e) Decline in economic conditions	
f) Tightened credit standards	
g) Ease in credit standards	
h) Regulatory climate tightened	
i) Other factors(s), please describe: _____	

For each item selected above, please describe:

23. (CDLFs do not answer) Your institution's current dividend rate based on 6/30/2012 lending is \_\_\_\_%.

a) If your institution is already paying the lowest dividend rate, what other factors incentivize your institution to continue to increase your qualified small business lending while you are still a participant in the SBLF program and before the dividend rate resets?

To continue to leverage the SBLF funding to increase overall returns to the institution.  
 Other \_\_\_\_\_

b) If your institution is **not** paying the lowest dividend rate, is your institution planning to increase qualified small business lending to achieve the lowest rate? Yes  No

If yes to (b), what action(s) is your institution planning to accomplish this? Please describe:

<sup>1</sup> Commercial and industrial loans, owner-occupied nonfarm, nonresidential real estate loans, loans to finance agricultural production and other loans to farmers, and loans secured by farmland.

## Part IV. SBLF Program Repayment/Exit

24. What method(s) is your institution using or planning to use to repay the SBLF funding (**Select all that apply**)?

a) Our institution intends to keep the SBLF funding as long-term or permanent capital (not applicable to CDLFs, S-Corps. or Mutuals)	
b) With retained earnings	
c) With proceeds from liquidation of assets	
d) From borrowed funds	
e) With proceeds from a public equity offering	
f) Other, please describe: _____	

25. What factor(s) would most influence your institution to exit the SBLF program (**Select all that apply**)?

a) Reset of the dividend rate to an undesirable level	
b) Insufficient demand for small business lending	
c) Capital markets are conducive to an equity offering to raise replacement capital	
d) Sale of senior preferred stock/senior securities/equity equivalent by Treasury	
e) Ability to reduce administrative requirements associated with being in SBLF program	
f) Other, please describe: _____	