



Agency Priority Goal Action Plan

Increase Access to Capital for Small Businesses Through Enhancements in Web-Based Technology

Goal Leader:

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Overview

Goal Statement

- By September 30, 2021, increase the number of lender and small business connections by 8 percent from baseline through enhanced web-based technology platforms (FY 2019 baseline = 80,000).

Challenge

- The number of brick-and-mortar lenders is declining, reducing access to capital for small businesses.
- Few lenders locate in geographically isolated areas, which poses a challenge for access to capital.

Opportunity

- SBA's online referral tool, Lender Match, can provide a geographically neutral solution to small businesses. Small business borrowers compete for the best financing option, leveling the playing field for small businesses searching for financing that may not be locally available.
- This Agency Priority Goal advances the Agency's mission to maintain and strengthen the nation's economy by enabling the establishment and vitality of small businesses. It aligns with the FY 2018-2022 SBA Strategic Plan Strategic Goal 1 to support small business revenue and job growth through Strategic Objective 1.1 to expand access to capital.

Leadership Team

Core Team:

- Office of Capital Access
 - Associate Administrator/Deputy Associate Administrator
 - Office of Financial Assistance, Director (Policy)
 - Office of Financial Program Operations, Director (Loan Processing)
 - Office of Performance System Management, Director (Data and Systems Management)
- Office of Field Operations (OFO)
 - Lender Relations Specialists
- Office of International Trade (OIT)
 - Export Finance Managers
- Office of Communications and Public Liaison (OCPL)
 - Regional Communication Directors

Goal Structure & Strategies

Background:

Lender Match is a free online referral tool that connects small business borrowers with participating SBA lenders. Lender Match levels the playing field for borrowers searching for financing which may not be available to them locally, while enabling lenders to identify borrowers who best suit their lending criteria.

Lender Match works by asking a prospective borrower to complete a short online form, asking a few questions about the small business. Those responses are then forwarded to participating SBA lenders that operate within the small business community. The prospective borrower will then receive an email within two days with the contract information of the lenders who expressed interest in providing him or her a loan. For more information visit: <https://www.sba.gov/funding-programs/loans/lender-match>

Goal Structure & Strategies

Implementation Strategy Overview:

The SBA will enhance Lender Match to make it easier for participating lenders to match with a borrower that fits their institution's lending criteria, while enabling borrowers to compete for the best financing option by:

- Developing and testing new Lender Match functionality
 - Augmenting search criteria enabling lenders and borrowers to find the best fit; and
 - Increasing functionality to convert a lender and small business connection to an electronic loan guaranty application
- Training SBA field staff on Lender Match enhancements and how to leverage the platform to increase small business access to capital
- Collaborating with external partners: US Export Assistance Centers (USEAC), US Department of Agriculture, and US Department of Treasury to market the program and provide outreach to rural small businesses and clients across the country
- Conducting lender outreach with trade associations (the National Association of Government Guaranteed Lenders (NAGGL) and the National Association of Development Companies (NADCO)) in order to share key information about Lender Match updates with SBA lenders

Goal Structure & Strategies

External Factors and Mitigation Strategies:

- Lender Match is a new program, and, therefore, there may be a lack of awareness among small businesses, lenders, and resource partners about the program. Sustained communication, coordination, and training for field staff, resource partners, and trade associations will increase awareness.
- Capital Access Financial Systems must be optimally maintained to deliver the response time required for Lender Match. Planned feedback analysis from lenders and Community Development Corporations (CDC) will assist in scoping additional enhancements.
- Lender Match is only available online and to internet-connected small businesses. This could potentially impact rural areas that lack broadband Internet access or computers. Sustained communications and outreach by field staff and resource partners who serve these communities will improve knowledge and access to the program's benefits.

Key Indicators

Key Indicator:

- Cumulative number of connections made between lenders and small businesses by quarter
 - *A connection happens when the lender requests to receive more information from the borrower. The connection does not necessarily result in a loan between the lender and small business; therefore, the small business does not necessarily receive an SBA guaranteed loan (e.g., 7a, 504, Microloan).*

Supporting Indicators:

- Cumulative number of loan requests (by borrowers) in the Lender Match System by quarter

Summary of Progress – FY 2020 Q1 & Q2

- In FY 2020 Quarter 1 and Quarter 2, 1,023,945 borrower loan requests were made through Lender Match.
- Of the 1,023,945 borrower loan requests, 65,916 resulted in lender/small business connections in Quarter 1 and Quarter 2, which is 79% of the annual target (FY 2020 Goal = 83,200 connections).
- In December 2019, the SBA successfully piloted new Lender Match features with three lenders and received positive feedback. The new features include:
 - augmented search criteria that enable lenders to find borrowers they are best equipped to offer loans to and
 - increased functionality to convert a lender and small business connection to an electronic loan guaranty application by streamlining the data gathering process.

Note: The Paycheck Protection Program (PPP) was created at the end of Q2 by the CARES Act (P.L. 116-136) and began making loans on April 3. Lender Match was temporarily taken offline during Q3 to ensure applicants submitted their PPP application through the appropriate channels. Temporarily taking Lender Match offline may impact Q3 progress towards the Priority Goal.

Key Milestones – FY 2020

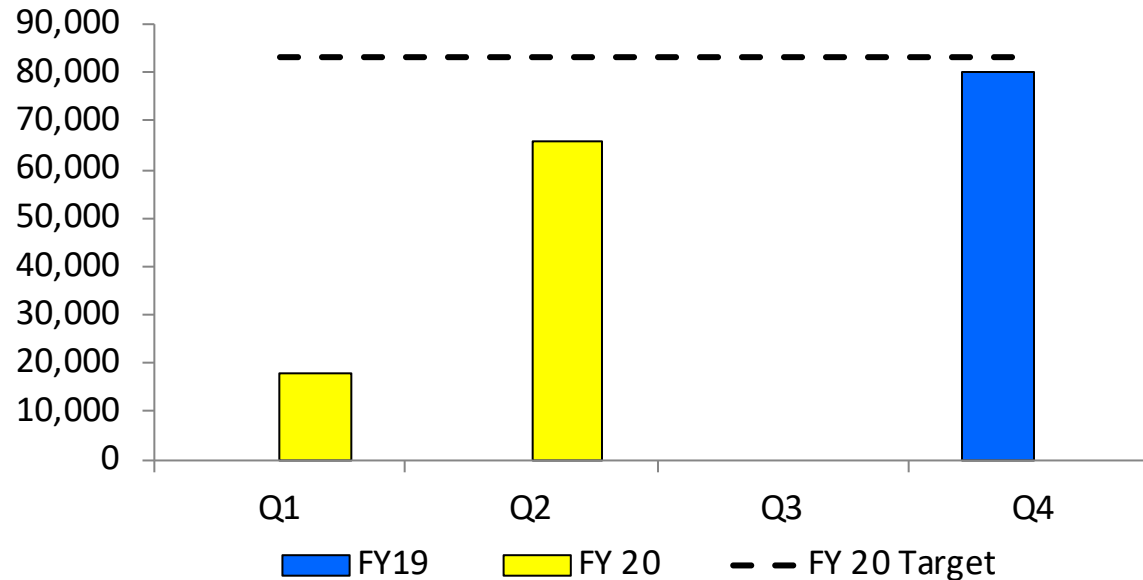
Milestone Summary			
Key Milestone	Milestone Due Date	Milestone Status	Comments
Test new lender match system functionality	Q1, FY 2020	Complete	SBA successfully tested the pilot in December with 3 lenders on new Lender Match features and provided positive feedback. New features assist the lender in turning the Lender Match connection into an SBA application.
20,800 connections (25% of FY 2020 Goal)	Q1, FY 2020	On-Track	17,911 connections
Implement new functionality to convert a lender match into a loan guaranty application	Q2, FY 2020	Complete	Completed in Q2
41,600 connections (50% of FY 2020 Goal)	Q2, FY 2020	On-Track	65,916 connections
Train SBA field staff on Lender Match enhancements	Q3, FY 2020		
Market enhancements to external stakeholders and lending partners	Q3, FY 2020		
Conduct lender outreach at NAGGL	Q3, FY 2020		
Conduct CDC outreach at NADCO	Q3, FY 2020		
62,400 connections (75% of FY 2020 Goal)	Q3, FY 2020		
83,200 connections (FY 2020 Goal)	Q4, FY 2020		

Key Milestones – FY 2021

Milestone Summary			
Key Milestone	Milestone Due Date	Milestone Status	Comments
Conduct lender outreach at NAGGL	Q1, FY 2021		
Conduct CDC outreach at NADCO	Q1, FY 2021		
21,600 connections (25% of FY 2021 Goal)	Q1, FY 2021		
Communicate with key stakeholders and distribute marketing materials	Q2, FY 2021		
43,200 connections (50% of FY 2021 Goal)	Q2, FY 2021		
Conduct lender outreach at NAGGL	Q3, FY 2021		
Conduct CDC outreach at NADCO	Q3, FY 2021		
64,800 connections (75% of FY 2021 Goal)	Q3, FY 2021		
86,400 connections (FY 2021 Goal)	Q4, FY 2021		

Key Indicators

Progress Towards FY 2020 Goal: *Cumulative number of lender and small business connections by quarter*



In FY 2020 Quarter 1, Lender Match created 17,911 lender/small business connections.

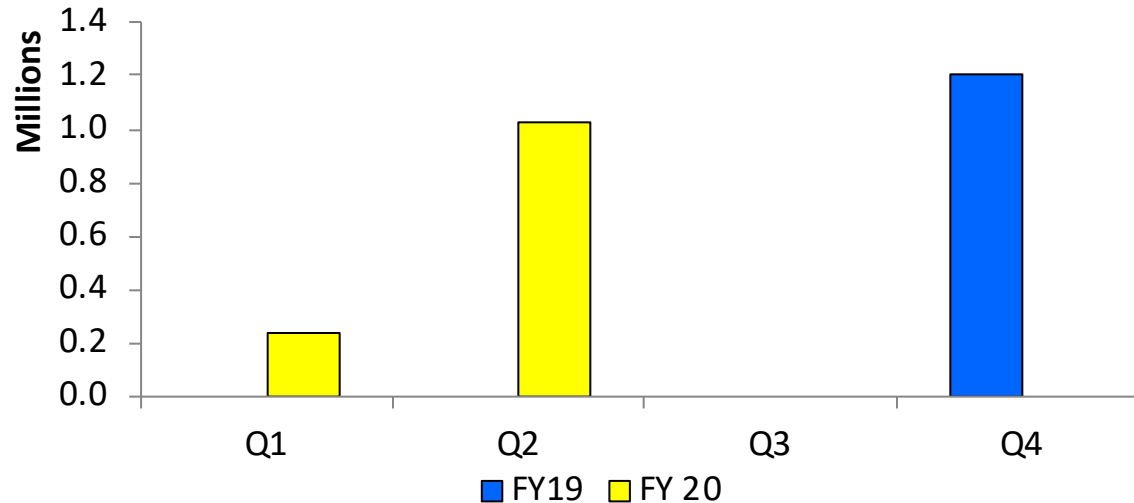
In FY 2020 Quarter 2, the cumulative number of lender/small business connections increased to 65,916 which is 79% of the annual target (FY 2020 Goal = 83,200 connections).

Note: FY 2019 data are provided in the graph as contextual information.

Key Indicators

Supporting Indicator:

Cumulative number of loan requests (by borrowers) in the Lender Match System by quarter



In FY 2020 Quarter 1, 237,490 borrower loan requests were made through Lender Match.

In FY 2020 Quarter 2, the cumulative number of borrower loan requests made through Lender Match increased to 1,023,945.

Note: In the graph, FY 2019 Quarter 4 data represent aggregate year end data for FY 2019.

Data Accuracy and Reliability

Small businesses and lenders must register online at www.sba.gov/lendermatch. Once registered, small businesses will be contacted by interested lenders, and they will be able to compare, rates, terms, and fees. The system ensures that only qualified lenders use the system and data are compatible with SBA's Capital Access Financial System (CAFS).

The Lender Match System provides data on the number of connections and borrower requests in aggregate form to program staff. Loan level data are not collected by the Lender Match System.

Additional Information

Contributing Programs

- 7(a) Loan and 504 Loan programs provide small businesses with access to capital.
- Small Business Development Centers (SBDC), Women's Business Centers (WBC), Veteran's Business Outreach Centers (VBOC), and SCORE help entrepreneurs connect with training and funding opportunities.
- State Trade Expansion Program (STEP) supports small business trade by making grants to states and territories to help them assist eligible small businesses enter and succeed in the international marketplace.
- US Export Assistance Centers (USEAC) provide front-line outreach and service operations for U.S. exporters.

Other Federal Activities:

- Community Development Financial Institutions (US Department of Treasury) provide low-income, low-wealth, and other disadvantaged people access to capital.
- Rural Business Service (US Department of Agriculture) provides programs to help small businesses grow in rural areas.

Stakeholder / Congressional Consultations

The SBA consulted with congressional appropriation and authorizing committees.