



U.S. Small Business
Administration

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Delegated Authority for Community Advantage

- Eligible Community Advantage Lenders are encouraged to apply for delegated authority.
- To be eligible, lender must be in good standing with SBA and must have either: originated at least 20 similarly sized and type loans in the past 5 years **OR** originated at least 10 Community Advantage loans during its program participation.
- If you are interested in applying for delegated authority, please send your request to the Office of Credit Risk Management at Caloans@sba.gov.

* Data as of 3/31/2022

Update on Community Advantage Lending Activity

* Data as of 3/31/2022

Top 10 Approvals by Industry in FY2022 YTD

Industry (by 3 digit NAICS code)	CA Approval Amount	Percentage of all approvals
Food Services and Drinking Places	\$10,125,300	22%
Ambulatory Health Care Services	\$3,406,000	7%
Personal and Laundry Services	\$3,005,200	6%
Professional, Scientific, and Technical Services	\$2,509,500	5%
Educational Services	\$2,475,500	5%
Amusement and Recreation Industries	\$2,311,000	5%
Repair and Maintenance	\$2,243,700	5%
Specialty Trade Contractors	\$1,953,700	4%
Administrative and Support Services	\$1,780,900	4%
Food and Beverage Stores	\$1,633,300	3%

* Data as of 3/31/2022

Approvals by SBA Regions in FY2022 YTD

SBA Region	Outstanding Balance of CA loans	Percent of Total
Region 1 ("CT","MA","ME","NH","RI","VT")	\$2,052,000	4%
Region 2 ("NJ","NY","PR")	\$3,333,200	7%
Region 3 ("DC","DE","MD","PA","VA","WV")	\$1,332,200	3%
Region 4 ("AL","FL","GA","KY","MS","NC","SC","TN")	\$5,587,000	12%
Region 5 ("IL","IN","MI","MN","OH","WI")	\$7,542,300	16%
Region 6 ("AR","LA","NM","OK","TX")	\$5,597,500	12%
Region 7 ("IA","KS","MO","NE")	\$1,051,600	2%
Region 8 ("CO","MT","ND","SD","UT","WY")	\$702,700	1%
Region 9 ("AZ","CA","GU","HI","NV")	\$19,208,800	41%
Region 10 ("AK","ID","OR","WA")	\$470,800	1%
Total	\$46,878,100	

* Data as of 3/31/2022

Approvals by Business Age in FY2022 YTD

New or Existing Business	Approval Amount	Percentage
New Business	\$33,489,800	71%
Existing Business	\$13,388,300	29%
Total	\$46,878,100	

* Data as of 3/31/2022

Fiscal Year 2022 Risk Based Reviews

For Discussion Purposes Only

7(a) File Reviews



For Discussion Purposes Only

Renewal of Community Advantage Lending Authority

The existing 750CA and 750CA Addendum were updated to reflect new program expiration (9/30/2024) and the Revolving Line of Credit feature and are currently in clearance within the Agency.

Presently, the existing agreements expire on 9/30/2022. New agreements will be sent to you once the updated 750CA and 750CA Addendums are cleared by SBA – that is expected to take place before the end of this month.

Lender Portal Changes

The PARRiS composite risk measurement methodology for the Community Advantage (CA) Pilot Loan Program was updated to reflect the inherently high-risk attributes of the program which focuses on smaller size loans to underserved markets. The updates to PARRiS are as follows:

1. 'Leverage Ratio' was revised so that lenders without a leverage ratio will now score '1' instead of '3';
2. 'Non-Performing Asset Ratio' score was revised so that lenders without a 'Non-Performing Asset Ratio' score '1' instead of '3'; and
3. 'Public Corrective Action or No Federal Regulator' score was replaced with a 'Public Corrective Action or SBA Enforcement Action' score which will reduce most CA Lender's score to '1' from '5'. This change will allow OCRM to continue to penalize lenders who have performance or compliance issues but won't penalize non-regulated lenders.

* Data as of 3/31/2022

Lender Portal Changes continued

4. To reflect the fact that CA lenders make loans to borrowers in underserved markets, which is inherently riskier than traditional 7(a) lending, SBA will also be subtracting 5 additional points for all CA lender PARRiS scores.

These changes reduce the average CA Lender PARRiS score by 13 points and make the average CA Lender's PARRiS score equal to that of the average Federally-Regulated Bank participant in the 7(a) loan program.

* Data as of 3/31/2022

Questions?

