

AN ASSESSMENT OF SMALL BUSINESS ADMINISTRATION LOAN AND INVESTMENT PERFORMANCE: SURVEY OF ASSISTED BUSINESSES

Final Report

January 2008

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Prepared by:



The Urban Institute

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An Assessment of Small Business Administration Loan and Investment Performance: Survey of Assisted Businesses

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SUMMARY

Despite major problems with producing usable contact information from the sample, recipients of SBA Section 7(a) and 504 guaranty loans were successfully surveyed in sufficient numbers for analysis. Completed surveys from recipients in the SBIC and MicroLoan programs are fewer, and results should be treated with caution. Our final tally of completed surveys was 209 for the 504 program, 188 for Section 7(a), 124 for MicroLoan, and 108 for SBIC. Sampling strategy, survey methodology, and response rates are detailed in the Section IV, Technical notes. Percentages cited in the text are based upon the number of businesses that responded to specific survey items, unless otherwise noted.

We found only minor differences between 504, 7(a), and MicroLoan recipients in overall satisfaction indicators, and (not surprisingly) more substantial differences in uses of loan proceeds and other sources of financing. Overall satisfaction was apparently lower in the SBIC program, but the small sample size and difficulty surveying reduces our confidence in those results.

PURPOSE

The Assisted Business survey is primarily intended to provide customer satisfaction indicators for the 7(a), 504, SBIC, and MicroLoan programs, while also providing information on a few additional outcome measures. Due to constraints on the overall burden of the survey, questions on outcomes were only included for number of employees and total revenues.

OUTCOMES

Most respondents were aware of the connection between their loan and the SBA (although there is undoubtedly some selection bias, since business owners unaware of the connection might have been less likely to complete the survey; the survey subcontractor—Silber & Associates—attempted to overcome this tendency). For both 7(a) and 504 recipients, more than 90 percent indicated that they were aware of the SBA guarantee (91 and 97 percent, respectively). For MicroLoan, 73 percent were aware. SBIC recipients were least likely to know of the connection (61 percent), probably due to the complex nature of the program.

Respondents for 7(a) and 504 programs were far more likely to have heard about the SBA loan guarantee program from a bank than other sources (Table 3.1). Respondents in the MicroLoan program were most likely to have heard of it from some other source, often word of mouth, the Chamber of Commerce, or some other association of businesses. Recipients of SBIC-backed investment were much less likely to be aware that the investment was associated with the SBA (39 percent were not aware of the connection), and many did not respond to this question.

**Table 3.1****How did you learn of the SBA program?**

	7(a)	504	SBIC	MicroLoan
Bank	62%	70%	24%	17%
Business person	7%	11%	9%	15%
Newspaper	1%	1%	1%	6%
Local SBA office	5%	4%	1%	11%
Internet	2%	1%	1%	6%
Accountant	4%	5%	3%	1%
Advertisement	2%	1%	1%	5%
Other	16%	10%	12%	32%

Respondents in the 7(a) and 504 programs were most likely to have used their loans to start their businesses (41 and 42 percent). Of respondents in the MicroLoan program, 24 percent reported starting their businesses with the loan, while only 17 percent in SBIC reported so doing. Of those responding that they heard of the SBA program through “other” sources, most in the 7(a), 504, and MicroLoan programs cited word-of-mouth, friends, or family. In the 504 program, real estate brokers were also mentioned (4 of 20 responses). In addition to word-of-mouth for MicroLoan respondents, various organizations such as the Chamber of Commerce, business development groups, and philanthropies accounted for 7 of 40 responses.

The top uses for loan proceeds among respondents in the 7(a) program were purchasing new equipment (34 percent), financing working capital (23 percent) and acquiring the original business (21 percent). In the 504 program, respondents most commonly built a new building (36 percent) or purchased a new building (33 percent); they also purchased new land (16 percent) or new equipment (15 percent). Respondents in the SBIC program tended to finance working capital (32 percent) and purchase new equipment (20 percent) with investment proceeds. MicroLoan respondents indicated the same two priorities, although purchasing new equipment (43 percent) was more common than financing working capital (27 percent).

**Table 3.2****How were loan proceeds used?**

(multiple responses permitted)

Respondents	7(a) 209	504 188	SBIC 108	MicroLoan 124
Build new building	4%	36%	2%	2%
Improve land	2%	6%	1%	0%
Purchase new land	3%	16%	0%	0%
Expand/renovate current building	14%	7%	6%	15%
Purchase new building	10%	33%	2%	2%
Finance working capital	23%	4%	32%	27%
Hire additional staff	6%	2%	13%	2%
Acquire original business	21%	8%	10%	5%
Purchase/install new equipment	34%	15%	20%	43%
Export products/services	0%	0%	1%	2%
Refinance existing debt	8%	3%	6%	4%
Other	19%	7%	30%	30%

Difficulties during the payback period were most common for SBIC (55 percent) and MicroLoan recipients (34 percent). Difficulties reportedly were not common for recipients in the 504 program (11 percent).

Table 3.3**Were there any payment difficulties during pay back?**

	N	Yes	No	Don't Know
Section 7(a)	182	23%	75%	3%
504	200	11%	86%	2%
SBIC	31	55%	42%	4%
MicroLoan	120	34%	59%	7%

Source: Urban Institute survey of SBA assisted businesses, 2006-2007.

Reporting of revenues and number of employees was best for respondents in the 504 and 7(a) programs. We compared responses only for those that provided both revenues at the time of the loan and current revenues. For 7(a), mean revenues rose from \$1.3 million to \$2.1 million; for 504, mean revenues rose from \$2.7 million to \$4.6 million. The median revenue in the 7(a) program at the time of the loan was \$300,000, rising to \$500,000 currently, while the median for 504 respondents was \$1 million initially, rising to \$1.5 million currently. Mean full-



time employees, for those reporting for both periods, rose from 8 to 11 for the 7(a) program, and from 16 to 22 for the 504 program. The median 7(a) business size at the time of the loan was 3 full-time employees, rising to 4 currently, and for 504 businesses the median size was 8 employees, rising to 11. A few large businesses account for the sizable gap between the mean and median figures—for example, in the 504 program 2 businesses had over 100 employees at the time of the plan. At the time of the survey that number had risen to 10 businesses, with one business reporting 230 employees.

	Revenues		Full-time Employees	
	At time of loan	Current	At time of loan	Current
7(a)				
Mean	\$1,285,593	\$ 2,078,675	8	11
Median	\$ 300,000	\$ 500,000	3	4
N	116	116	155	155
504				
Mean	\$2,704,438	\$ 4,634,750	16	22
Median	\$1,000,000	\$ 1,500,000	8	11
N	153	153	183	183

Most recipients in the 7(a), 504, and MicroLoan programs rated the loan and loan terms overall as “Excellent” or “Good” (Table 3. 5). MicroLoan recipients were the most satisfied (81 percent). SBIC recipients were dramatically less likely to select one of the top two ratings (28 percent); 50 percent rated the loan and loan terms as “Fair.” It should be noted that most SBIC recipients did not receive the type of assistance for which this question was meaningful, so the number of respondents in the SBIC program is particularly low. Those that did respond received investments that included debt, preferred stock, or debt-like instruments with a specified interest rate and term.

Respondents in all four programs were divided on the impact of the SBA assistance. Solid majorities agreed that the loan/investment was “somewhat important” or “very important”, ranging from 73 percent of respondents in the SBIC program to 91 percent of respondents in the 7(a) program. However, 40 percent of respondents in 7(a) also thought that they could have obtained acceptable financing elsewhere, with comparable percentages for respondents in the 504 program (48 percent), and somewhat lower percentages for SBIC (35 percent) and



MicroLoan (32 percent) respondents—although SBIC respondents were very likely to either respond "don't know" or give no response at all (36 percent).

Table 3.5
Overall Satisfaction with the Loan and Loan Terms

	N	Excellent	Good	Fair	Poor	Don't Know
Section 7(a)	179	18%	50%	20%	6%	7%
504	195	21%	45%	23%	8%	4%
SBIC	32	6%	22%	50%	9%	13%
MicroLoan	111	41%	41%	11%	5%	3%

Table 3.6
Importance of SBA Assistance

	7(a)	504	SBIC	MicroLoan
How important was the loan to business success?				
Very important	62%	53%	47%	73%
Somewhat important	28%	34%	27%	19%
Somewhat unimportant	2%	4%	6%	3%
Very unimportant	3%	4%	4%	0%
DK/NR	4%	6%	16%	4%
Do you agree that you would have been able to find acceptable financing elsewhere?				
Strongly agree	3%	10%	5%	5%
Agree	37%	38%	30%	26%
Disagree	32%	31%	21%	36%
Strongly disagree	14%	11%	9%	22%
DK/NR	14%	10%	36%	11%
What do you think would have happened if your business had not received the SBA-backed assistance?				
Financing with same terms	16%	8%	13%	8%
Financing with diff. terms	38%	52%	37%	24%
Changed plans for business	28%	26%	20%	37%
DK/NR	18%	15%	30%	31%

Source: Urban Institute survey of SBA assisted businesses, 2006-2007.



SBIC, 7(a), and 504 respondents tended to believe that without the SBA-guaranteed loan/investment, they would not have had to change plans for the business, although few in any program felt that they could have found financing on the same terms. Fewer in the MicroLoan program felt that they had financing options, on either the same terms or different terms (32 percent).

Most respondents in the 7(a), 504, and SBIC programs were using some other source of financing at the time of the loan in addition to the SBA-guaranteed assistance (Table 3.7). Respondents in the 504 and SBIC programs were most likely to receive that funding at least in part from a bank loan (75 and 49 percent, respectively), while a quarter of the respondents in the 7(a) program reported using a bank loan, and a quarter used personal borrowing. Less than half of MicroLoan recipients reported other financing sources; personal borrowing was the most common source (23 percent). SBIC recipients were most apt to cite owner equity investment (38 percent). Most SBIC recipients who specified "other" financing received reported equity investment (5 respondents) or private investors or venture capital (4). The majority of "other" responses for the other programs were personal savings or credit cards.

Table 3.7

What other sources of financing were you using at the time you received this loan/investment funding?

	7(a)	504	SBIC	MicroLoan
Federal loan	3%	1%	1%	1%
State/local govt loan	3%	2%	3%	2%
Bank loan	25%	75%	49%	13%
Equity investment by owner	16%	22%	38%	10%
Personal borrowing	24%	18%	11%	23%
Other	7%	2%	13%	12%
Any of above	57%	83%	10%	48%
No other source	36%	11%	69%	43%

Most respondents in any program did not report participating in other SBA loan programs. MicroLoan had the highest percentage, at 23 percent, 7(a) and 504 had fewer (18 and 16 percent, respectively), and SBIC had the least (7 percent). The other loan for MicroLoan recipients was apt to be another MicroLoan (6 percent), Score (5 percent), Small Business Development Center (6 percent), or some other unspecified program (6 percent). Other loans for 504 recipients were apt to be in the 504 program (7 percent) or the 7(a) program (4 percent).



Other programs 7(a) recipients were most likely to have participated in were the Small Business Development Center (5 percent) or Score (4 percent).

SBIC Outcomes

Several questions were asked only of SBIC respondents, who were apt to have assistance that was not constructed as a loan similar to the other programs. Many respondents appeared to be uncertain of the details of the assistance. Whether this is due to lack of familiarity with the program itself, of which they may have been unaware at the time of the assistance, or some other cause, is not clear. Of respondents in the SBIC program, 32 percent reported that the assistance included preferred stock or a debt-like instrument that had a specified interest rate and term—however, 50 percent did not know. When asked if the assistance included any warrants or other features that provided an opportunity for the SBIC to take an equity stake in the applicants' company, 30 percent responded that it did, but 43 percent did not know. The assistance was part of larger financing, according to 32 percent of respondents, and was the sole financing according to 17 percent, but 51 percent did not know.

By Loan Size

We created four loan-size categories, each, for the 504 and 7(a) programs (Table 3.8). For most of the key loan satisfaction and loan impact questions, there were only minor differences among the categories. Only for satisfaction with overall terms and conditions in the 7(a) program was there a significant difference: the group of respondents receiving loans of greater than \$250,000 was less likely to select a rating of 'Excellent' or 'Good' (59 percent) than other respondents (72 percent).

In the 7(a) program, recipients of all loan sizes believed they had an 'Excellent' or 'Good' chance of finding acceptable financing elsewhere in the same proportions—about 40 percent. They were also equally likely to consider the loan as important to business success (90 percent). Recipients of loans in the \$50,000-\$100,000 range were more likely to be interested in a future SBA-guaranteed loan than other 7(a) program recipients (90 vs. 80 percent), but the difference was not statistically significant.

Respondents in the 504 program tended to have similar belief in their ability to have found acceptable financing elsewhere, although those with the smallest loans and the largest loans were slightly more confident (53 and 56 percent, respectively), than those in the two middle categories (both in the 43 to 44 percent range). Respondents in the two middle categories were correspondingly more likely to be interested in future SBA-guaranteed loans (71 and 74 percent) compared to the other two groups—63 percent of those with loans of under \$100,000, and 47 percent of those with loans of more than \$500,000. Once again, these differences were not statistically significant.



7(a)		504	
Size	N	Size	N
< \$50k	27	< \$100k	19
\$50k - \$100k	52	\$100k - \$250k	76
\$100k - \$250k	55	\$250k - \$500k	66
\$250k +	54	\$250k +	48

By Start-up

There were no appreciable differences between start-ups and other businesses for the major satisfaction or loan impact questions for respondents in the 7(a) program. Respondents in the 504 program were more likely to believe that they could have found acceptable financing elsewhere if they were start-ups at the time of the loan (62 versus 42 percent for other businesses), but were also more likely to report that the SBA-guaranteed loan was “very important” or “somewhat important” to business success (92 percent for start-ups versus 82 percent for others). However, these differences were not statistically significant.

By Ownership Characteristics

Each respondent was asked if the company was majority-owned (greater than 50 percent) by women, majority-owned by minorities, and/or majority-owned by Hispanics/Latinos (Table 3.9). Since our goal in drawing a stratified sample was for each program to gain a set of completed surveys for which minority-ownership was representative of the universe of assisted businesses, we compared the responses to the ownership questions in the survey to SBA administrative data for firms in the sample universe (those receiving loans in 2000 or 2001). The results indicate that for the Section 7(a) and 504 programs, survey respondents were somewhat more likely to represent minority-owned firms than the general population, less likely to represent woman-owned firms, and were of about the same percentage Hispanic-owned as the general population. The difference was greatest for woman-owned businesses, but sufficient numbers were surveyed to consider the difference tolerable. For MicroLoan, the differences were greater, and all three types are found in lower percentages in the sample than in the general population. The SBIC sample is most different in the two available characteristics; it was also the sample with the highest percentage of bad contact information.



	N	Woman- owned	Minority- owned	Hispanic- owned
Survey Respondents				
Section 7(a)	188	29%	19%	6%
504	209	21%	16%	5%
SBIC	108	1%	11%	0%
MicroLoan	124	34%	31%	8%
SBA Administrative Data				
Section 7(a)	72984	40%	13%	7%
504	7778	33%	8%	6%
SBIC	1967	8%	24%	.
MicroLoan	4308	47%	47%	16%

For Section 7(a) and 504, the two programs with sufficient responses to compare minority-owned to non-minority-owned businesses, there were no significant differences in responses for the key satisfaction and impact questions, nor were there significant differences comparing women-owned businesses to all other businesses. There were insufficient responses from Hispanic-owned businesses for meaningful comparison.

Comparison to Previous Surveys

Results for the satisfaction questions for the 7(a) and 504 programs were compared to previous surveys conducted in 1997 by Warden Associates, Inc. and Price Waterhouse, LLP (Table 3.10), which targeted businesses receiving loans in 1990. For most categories, the results are similar, although the percentage responding “Excellent” or “Good” is uniformly lower in the current surveys. The greatest difference is in satisfaction with the interest rate received, in both programs, for which satisfaction is considerably lower.

**Table 3.10****Loan Satisfaction vs Previous Surveys
Percent rating service 'Excellent' or 'Good'**

	<u>504</u>		<u>7(a)</u>	
	1990 Loans	2000-2001 Loans	1990 Loans	2000-2001 Loans
Overall Satisfaction	74%	66%	75%	68%
Speed of Processing	63%	63%	64%	62%
Interest Rates	69%	59%	71%	51%
Collateral Requirements	62%	58%	57%	45%
Pay back period	80%	80%	80%	76%
Loan Administration	76%	76%	81%	67%

Source: 1990 data from "Evaluation of the SBA Loan Programs", Warden Associates, Inc. and Price Waterhouse, LLP, February 1998.

TECHNICAL**Survey Design**

The initial survey design was based upon the goals of both measuring customer satisfaction and collecting additional performance data on surveyed firms. Additional questions were drawn from earlier surveys of assisted businesses and from suggestions and feedback provided by SBA. In order to keep the burden low for respondents, and to improve the potential response rate, the survey was designed to be completed in less than ten minutes. OMB approval for the survey was received in July, 2006.

Sample Design and Construction

The initial sample of 2,985 records was drawn as a subset of the larger sample of records sent to Dun & Bradstreet for record matching. Records were selected using a stratified sampling plan, ensuring that the sample matched the proportions of firms by year of loan (2000 or 2001) and minority ownership status in the general population of assisted businesses. Rounding in the various groups led to a total sample slightly short of the 750 per program. An additional 2,838 records were drawn as a reserve sample, using the same sampling strategy—although too few records remained in the SBIC file to draw a complete reserve, so it consisted of only 577 records instead of the target 750.



From the beginning the survey was intended to be administered only to surviving firms. Due to the difficulty of tracking down owners of businesses that had failed or otherwise ceased operations, the decision was made to use what is termed a sample of convenience—we drew our sample from the full list of assisted businesses, but no effort was made to determine which businesses had survived and which had not. We did, however, make several efforts to update the contact information in the SBA files.

Firms that were selected for the sample or reserve sample were sent to a private vendor, AccuData, to check for updated addresses. AccuData compared the list to both the National Change of Address Registry compiled by the U.S. Postal Service, and to an independently obtained Dun & Bradstreet database of businesses. This procedure resulted in “hits” on 53 percent of the firms; firms that were not matched were not withdrawn from the sample.¹

In addition, our surveying subcontractor conducted Internet searches on businesses for which the existing contact information had been insufficient, and was able to obtain updated contact information in some cases (as described below).

Implementation

Initial contact to potential respondents in the sample was made by letter from the subcontractor, Silber & Associates, identifying the survey as being conducted by the Urban Institute on behalf of the SBA. Recipients were invited to complete the survey by logging onto a Website programmed with the survey, using a special username provided in the letter. Of these initial letters, 35 percent were returned to sender.

Approximately two weeks after the first mailing, a reminder postcard was sent. A second postcard reminder was mailed shortly after. Because Silber & Associates was concerned about the response rate in the early weeks, they suggested adding a certified letter mailing to the contact strategy, an effort that was not in the original plan. SBA agreed, and also agreed to name an SBA representative who could be contacted by potential respondents to verify that the survey was sanctioned by the SBA. However, a suggestion to offer incentives to respondents was rejected, because it would require obtaining OMB approval for the change, which would not be possible to obtain within the schedule for fieldwork.

Silber & Associates began their own effort to improve the contact information in the early weeks, as it became clear that out-of-date data would have a major impact on the overall response rate.

¹ Matched records from Dun & Bradstreet data, arranged through SBA for the performance analysis, did not reach UI before field work for the survey began, and so were not tapped for potential address updates.



Telephone follow-up began in the third week of field work. Those successfully contacted were given the option of completing the survey online, or by telephone.

From the original sample, Silber & Associates achieved 491 completed surveys.

Using information from Silber & Associates on their experiences with the list, UI eliminated 40 duplicate records from the reserve sample. After six weeks of surveying, UI released the reserve sample, of 2,798 records, for Silber & Associates to draw upon. Drawing upon part of the reserve, Silber & Associates completed an additional 138 surveys.

Major Issues

The primary impediment to effective surveying was the state of the administrative data. Across the four programs, 63 percent of the records were found to have bad or dead-end information, even after multiple efforts to update the records. Because the sample was drawn six to seven years after the loan was made, outdated information was expected. However, we also expected a higher success rate for matching business names against an up-to-date business directory, such as found in AccuData's service.

SBIC and MicroLoan had the worst rates for unusable contact information, both at around 80 percent. Both had high rates of duplicate contact information, partially a result of the inherent difficulty in translating loan-level information to a firm-level database, and also due to other factors, such as bad address-matching caused by similar firm names or locations. A particular problem for the SBIC firms was taxicab medallions, which were far harder to contact, harder to verify contact information, more likely to have a single contact for multiple loans to multiple firms, and more difficult to reach the owner. While taxicab medallions represent a substantial percentage of the SBIC portfolio, very few of these owners were successfully surveyed. It was possible, although time-consuming, to track down new contact information for MicroLoan loans for which the name of the owner was available, but efforts were less successful where only a business name was available.

	N	Section 7a	504	SBIC	MicroLoan	Total
Completed	504	27%	19%	11%	11%	17%
Refused	126	6%	6%	3%	2%	4%
Bad information	1877	35%	56%	82%	78%	63%
Attempted, no survey	478	32%	19%	5%	8%	16%



Another issue with the sample, which was anticipated in the research design, is that “as a rule” only businesses still in operation were contacted. However, in the case of firms for which the owner's name was available, we were sometimes able to contact the former owner of businesses no longer in operation. In those cases, we attempted to complete an interview. Unfortunately, we have no method for determining how representative these interviews are of the sample—based on the difficulty in finding contact information for failed or sold businesses, we have to assume these businesses are underrepresented in our sample.

There are a few potential solutions for the contact information problem if the survey is to be administered in the future. Since the lending intermediary presumably keeps track of the loan recipient during loan repayment, SBA can ask for better, regular updates from the lender, with a greater emphasis on high-quality contact information. This would improve contact information during the repayment period, but after that point contact information quality could be expected to continue degrading as normal. To track recipients after loans have been paid off, SBA could attempt to maintain current information for a subset of the recipients, through requesting voluntary updates or periodic mailings to confirm contact information, supplemented by use of an address-matching service. It should be noted that loan recipients were often cooperative, when the surveying firm had accurate information from which to work.



APPENDIX
SURVEY INSTRUMENT

WEBSITE PAGE 1

Welcome to the Small Business Administration Survey of Assisted Businesses

Thank you for participating in the _____. You are making a valuable contribution to _____.

The survey will take approximately _____ minutes to complete. If you are unable to complete the survey in one session, please click on 'Finish Later' at the bottom of the page you are completing. To return to the survey, you must click on the link in the e-mail from Silber & Associates (the way you got here today). You will be taken back to the last page you completed. Once you have completed your survey, you must click 'Submit Survey' to submit it.

To move around in the site, please use the 'Back' and 'Next' buttons at the bottom.

If you encounter technical problems or have questions, contact the survey consultant, Silber & Associates, toll-free at 1-888-silber-1 (1-888-745-2371).

[Begin Survey](#)

WEBSITE PAGE 2

FOR 7(A), 504, OR MICROLOAN RECIPIENTS:

Our records indicate that you received a [import type of loan info from database] from [import lender from database] in [import year of assistance from database].

Are you aware that the loan you received was guaranteed by the SBA?

Yes No

--OR--

FOR SBIC DEBENTURE RECIPIENTS:

Our records indicate that you received SBIC assistance from the SBIC in [import year of assistance from database].

Are you aware that the SBIC that provided funding to you is licensed and funded by the SBA?

Yes No

NEW WEB PAGE

Heading (Current Status questions)

When did the business begin operations in its current form?

Is the business still in existence?

Yes No

[If business is not in existence] Did the business discontinue operations, go out of business with financial loss, was it sold, or was there some other outcome?

Check one answer.

Business discontinue operations

Go out of business with financial loss

Sold

Other (*please specify:* _____)

[If business is still in existence, the following three questions are asked]

What is the current annual revenue of your business, approximately?

Currently, how many full-time employees are employed by your business, including yourself?

Currently, how many part-time employees, does your business have?

NEW WEB PAGE

Heading

Were the proceeds of the [import type of loan info from database] loan used to start the business?

Yes No

[If preceding question="No"] What did you use the proceeds for?

- Purchase an existing business
- Help stay in business
- Help expand your business
- Other (specify: _____)

What, specifically, was the loan used for? (this is the version for 7(a), 504, or MicroLoan recipients)

--OR--

What, specifically, were the proceeds used for? (this is the version for SBIC recipients)

Check all that apply.

- Construct a new building
- Improvement of land
- Purchase of new land
- Expansion or renovation of current building
- Purchase of a new building
- Finance working capital
- Hire additional staff
- Acquisition of original business
- Purchase and installation of new equipment or machinery
- Exporting products or services
- Re-finance existing debt
- Other (*please specify:* _____)

[If "j" (exporting products or services) = "Yes"]

Did you export products or services prior to the loan?

Yes No Don't know

NEW WEB PAGE

Heading

What other sources of financing were you using at the time you received this loan/investment financing?

Check all that apply.

- Other federal program loan or loan guarantee
- State or local government financing program
- Business loan from bank or other private lenders
- Equity investment by owner
- Personal borrowing by owner
- Other (specify: _____)
- No other source of financing at that time
- Don't know

NEW WEB PAGE

Heading

At the time you received the [import type of loan info from database] financing, what was the approximate annual revenue of your business?

At the time you received the [import type of loan info from database] financing, how many full-time employees did your business have, including yourself?

At the time you received the [import type of loan info from database] financing, how many part-time employees did your business have?

NEW WEB PAGE

Heading

[SBIC-assisted only] Did the SBIC assistance include any debt, preferred stock or debt-like instruments that had a specified interest rate and term?

Yes No Don't Know

[Everyone (all loan types) sees the following question **UNLESS** they answered No or Don't Know to the preceding question]

Did you have any payment difficulties during the pay back period?

Yes No

[SBIC-assisted only] Did the SBIC assistance include any warrants or other features that provided an opportunity for the SBIC to take an equity stake in your company?

Yes No

[SBIC-assisted only] Was the assistance you received from the SBIC part of a larger syndicated financing or was the SBIC the sole investor?

Yes No Don't Know

[If preceding question (Was the assistance...) = YES] Was the SBIC a lead investor in the syndicate?

Yes No Don't Know

NEW WEB PAGE

Heading

Other than the loan we are discussing, have you participated in any of the following programs offered by SBA?

Check all that apply.

7a

504

Microloans

International Trade

SCORE

Small Business Development Centers

Women Business Centers

8(a) Certification

HUBZone

Surety Bond Guaranty

Other (specify: _____)

Don't know

In which loan or investment programs from agencies other than SBA are you participating, if any?

None; I am not participating in other programs.

NEW WEB PAGE

Client Satisfaction

Consider the following statements, and then indicate the extent to which you agree or disagree with it.

Strongly Agree Agree Disagree Strongly Disagree Don't know

a. I believe that I could have obtained financing elsewhere under reasonably acceptable commercial terms and conditions.

b. If I needed additional financing, I would be interested in receiving similar financing again through [language will either be 'an SBA-guaranteed loan' or 'an SBIC investment,' depending on the type of loan in the database].

NEW WEB PAGE

Client Satisfaction

If your business had not received the [language will either be ‘an SBA-guaranteed loan’ or ‘an SBIC investment,’ depending on the type of loan in the database], what do you think would have happened?

Choose the single best response.

- a. Would have obtained financing with **different** terms elsewhere (if the respondent is an SBIC recipient: [term sheet/LOI from alternative financing source(s)])
- b. Would have obtained financing with the **same** terms (if the respondent is an SBIC recipient: [term sheet/LOI from alternative financing source(s)]) Would have changed plans for business
- c. Don't know

How important was the [language will either be ‘SBA-guaranteed loan’ or ‘SBIC investment,’ depending on the type of loan in the database] you received to the success of your business?

- Very important
- Somewhat important
- Somewhat unimportant
- Very unimportant
- Don't know

NEW WEB PAGE

Client Satisfaction

THE FOLLOWING QUESTIONS SHOULD BE ASKED OF EVERYONE (ALL LOAN TYPES) EXCEPT FOR PEOPLE WHO ANSWERED “NO” or “DON’T KNOW” TO THIS PRIOR QUESTION: Did the SBIC assistance include any debt, preferred stock or debt-like instruments that had a specified interest rate and term?

Based on the status and financial condition of your company at the time of the financing, how would you rate each of the following?

Excellent
Good
Fair
Poor
Don’t know

- a. Overall terms and conditions of the SBA-guaranteed loan
- b. Amount of time allocated to repay your loan
- c. Interest rate you received on your loan
- d. Collateral requirements of your loan
- e. Overall speed of processing your application by [depending on type of loan in the database, language will either be ‘the lender’ or ‘SBIC’]
- f. Loan administration during the pay back period

NEW WEB PAGE

Client Satisfaction

As part of this [depending on type of loan in the database, language will either be 'SBA loan program' or 'SBIC debenture program'], did you obtain any kind of technical assistance to help you in business planning, financial management, product marketing, production methods, or any other aspect of the business?

Yes No

[If the answer is YES, ask the following]

Excellent
Good
Fair
Poor
Don't know

How would you rate each of the following aspects of technical assistance?

- a. Usefulness of the assistance you received
- b. Effectiveness of the counselor or advisor in meeting your needs

NEW WEB PAGE

Client Satisfaction

How did you learn about the [depending on type of loan in the database, language will either be 'SBA loan program' or 'SBIC program']?

Check all that apply.

- Banker or lender
- Another business person
- A newspaper or magazine article
- An SBA Local District Office
- The Internet
- An accountant
- An advertisement
- Another source (specify: _____)
- Don't know

Are there any suggestions you could make to improve the loan program in which you participated?

NEW WEB PAGE

Background Information

Is your company majority-owned (51% or more) by women?

Yes No

Is the business minority-owned (51% or more)?

Yes No

Are you or the majority of the owners of your company of Latino or Hispanic origin or descent, such as Mexican, Puerto Rican, Cuban, or some other Latin American background?

Yes No

What are the races/ethnicities represented by the owner(s)?

Check all that apply.

White

Black or African American

Asian

American Indian or Alaska Native

Native Hawaiian or other Pacific Islander

Don't know

PLEASE NOTE: The estimated burden for completing this form is 20 minutes. You are not required to respond to any collection of information unless it displays a currently valid OMB approval number. Comments on the burden should be sent to U.S. Small Business Administration, Chief, AIB, 409 3rd St., S.W., Washington D.C. 20416 and Desk Officer for the Small Business Administration, Office of Management and Budget, New Executive Office Building, Room 10202, Washington, D.C. 20503. OMB Approval (3245-). **PLEASE DO NOT SEND FORMS TO OMB.**

SBA Form 2284 (3-06)