



PRESS OFFICE

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SBA Achieves Historic Small Business Lending for Fiscal Year 2020 **South Dakota: Thirty-one thousand loans worth \$2.2 billion stabilized** **State's small business sector and put it on the road to recovery**

SOUTH DAKOTA – The [U.S. Small Business Administration](#) announced Fiscal Year 2020 summary loan data of the financial assistance provided through traditional loan program lending as well as aid provided via the CARES Act. Loans guaranteed through traditional SBA-backed lending programs exceeded \$28 billion; however, enactment of the CARES Act dramatically increased loan volume guaranteed by the Agency. In FY20, the Paycheck Protection Program provided an additional 5.2 million loans worth more than \$525 billion, the Agency's Economic Injury Disaster Loan Program added another 3.6 million small business loans valued at \$191 billion, and an additional 5.7 million EIDL Advances worth \$20 billion.

“In response to the unprecedented challenges faced by small businesses this year, the Trump Administration provided more than three-quarters of a trillion dollars in financial assistance to support impacted small businesses. SBA lending data further reflects the extraordinary commitment this Administration has made to supporting entrepreneurs in underserved communities,” Administrator Jovita Carranza said.

Highlights from the PPP include:

- 27% of the PPP loan dollars were made in low-and moderate-income communities which is in proportion to the percentage of population in these areas:
- More than \$133 billion, or 25%, of PPP loans were approved for small businesses in historically underutilized business zones (HUBZones); and,
- Over \$80 billion, or 15%, of total PPP dollars were approved to small businesses in rural communities.

“The SBA played a monumental role in supporting small businesses impacted by the COVID-19 pandemic, evidenced by the thousands of Paycheck Protection Program and Economic Injury Disaster Loans approved to urban and rural South Dakota businesses since March,” said Dan Nordberg, SBA Regional Administrator and National Director of Rural Affairs. “The SBA's historic lending achievement is a testament not only to the dedicated public servants within the agency, but also to the grit of small business owners and entrepreneurs across the state.”

In South Dakota, nearly \$1.7 billion in PPP loans assisted 23,470 small businesses to weather the Covid-19 pandemic. An additional \$469 million in Economic Injury Disaster Loans were made to South Dakota firms.

“PPP and EIDL provided a lifeline to South Dakota small businesses in an extremely difficult economic time,” said SBA South Dakota District Director Jaime Wood. “While SBA resources are always available to assist small businesses, the Agency significantly increased efforts during the COVID-19 natural disaster.” Wood added that recovery efforts are still taking place across the state.

Administrator Carranza further noted, “In addition to the tremendous amount of aid provided by the CARES Act via the PPP and EIDL programs, our regular loan programs showed solid year-over-year improvement, especially within our 504 and Microloan programs.

In FY20, SBA’s flagship 7(a) loan program made approximately 42,000 7(a) loans totaling \$22.55 billion. The 504 loan program had another year of increased performance, with more than 7,000 loans made for a total dollar amount of more than \$5.8 billion. The Microloan Program, which specifically helps businesses in underserved communities, achieved a second straight record year performance with nearly \$85 million going to over 5,800 small businesses. Thirty-four percent of Microloans made in FY20 went to Black-owned small businesses.

The 504 program grew 17.5% while the Microloan program had another record year with a 4.3% increase in small business lending. Both loans are designed to create jobs and grow small businesses in communities across the country.

Grow South Dakota, a mission-based lender headquartered in Sisseton, is SBA’s Microloan provider in South Dakota. Grow made \$317,000 loans through the SBA Microloan program in FY20. “Our microlenders serve an important entrepreneurial demographic. New businesses, particularly in rural and minority communities are a critical vehicle for self-employment,” commented Wood. “Microloans help establish credit and financial independence and for many businesses, these loans are the first rung on the financial ladder.” Since 2017, Grow South Dakota has provided over half a million dollars in microloans to entrepreneurs in South Dakota.

SBA 7(a) and 504 lending were up markedly in South Dakota this year. 7(a) lending increased 44% to \$52 million and 504 gained 25% to \$53 million. The average 7(a) loan amount in South Dakota was \$320,000. South Dakota’s top 7(a) lenders for FY20 were Dacotah Bank by dollar amount and First National Bank in Sioux Falls by number of loans.

“The commitment of SBA lending partners in making credit available to small businesses is commendable,” said Wood. “Particularly this year, when so many lenders answered the call to duty in a very ambiguous environment and went the extra mile -- working nights and through the weekends -- to assist business clients in accessing SBA funding. We’re incredibly grateful for our partners!”

Lending to underserved populations posted another strong year. Lenders reported that minority business owners received \$7.5 billion in combined 7(a) and 504 lending, or 27% of SBA’s loan portfolio. Further reported data shows SBA’s 7(a) lending to women-owned businesses was nearly \$2.7 billion in FY20 while lending from the 504-loan program to women-owned businesses was over \$522 million. Additionally, loans to veterans totaled nearly \$835 million for the 7(a) and 504 programs.

For more information about SBA’s loan programs, financial assistance, and other services, visit www.sba.gov.

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About the U.S. Small Business Administration

The U.S. Small Business Administration makes the American dream of business ownership a reality. As the only go-to resource and voice for small businesses backed by the strength of the federal

government, the SBA empowers entrepreneurs and small business owners with the resources and support they need to start, grow or expand their businesses, or recover from a declared disaster. It delivers services through an extensive network of SBA field offices and partnerships with public and private organizations. To learn more, visit www.sba.gov.