

SBA Lending Growth 'Slows' to 20%; Fewer Incentives

9 OC Lenders Report Growth Topping 25%

By PETER J. BRENNAN

Loans under the **Small Business Administration** to local borrowers increased by what, at first glance, looks like an impressive 20% to \$200 million in the six-month period ended March 31.

As remarkable as that gain sounds, it's lower than prior years of 63% in 2021, 77% in 2020 and 34% in 2019.

"The big reason numbers are down, is because there were tremendous governmental incentives" in the prior two years, said **Mark Hogan**, the head local official for the **CDC Small Business Finance** of Irvine.

An example of a key incentive was a waiver of fees that expired Sept. 30 before this list's reporting period began. The waiver affected **Union Bank**, which fell out of the top spot to No. 3 as its lending dropped 36% to \$15.4 million and the number of loans issued declined from 16 to seven.

"We had a spike in approvals in September 2021 to allow businesses to take advantage of the fee waivers before they expired," said **Todd Hollander**, head of Business and Small Business Banking for Union Bank.

"We have not experienced a slowing in the growth of loans," Hollander said. "For small businesses who are seeking loans, we're hear-



168 loans, a 14% increase from last year. The average loan size was \$1.2 million, similar to year-ago levels.

Seven of the 15 lenders on this year's list are banks. Other lenders are community development institutions and nonprofits. Data comes from the SBA and includes only lending to OC borrowers, regardless of the lender's headquarters or branches.

Lenders advance anywhere from \$5,000 to as much as \$30 million.

Nine lenders reported loan growth topping 25%. Four lenders reported a decline.

Eight new companies made this year's list. The most prominent increase was Irvine's **Sunwest Bank**, which climbed 313% by issuing five loans totaling \$5.17 million.

Companies see the SBA loans as a steppingstone to the big leagues, as the government-backed leverage lets them grow a newer business. Banks often look at SBA loans as an important entry into the front door of small companies in growth mode.

The list measures two types of loans: the 7(a) program for business acquisitions, equipment purchases and debt refinance; and 504 loans used for owner-occupied commercial real estate purchases and refinancing, as well as equipment buying. The latter loan lets lenders ask for as little as 10% down, versus the typical 20% to 25% from their conventional banking products.

"There's more demand now than ever but there's less product" for 504 loans, Hogan said.

The 504 lending has increased due to the higher purchase price of real estate, Union Bank's Hollander said.

"The businesses seeking and receiving loans from us have been from a variety of industries with no noticeable concentrations," Hollander told the Business Journal. "Technology companies that deliver services remotely have fared well, as have manufacturers up until the supply chain issues we've experienced recently."

Notables

■ **No. 2 Business Finance Capital** of Los Angeles reported a 56% loan increase to \$36 million. Its loan count rose from 19 to 29.

■ **Wells Fargo** jumped from No. 7 to No. 4 with a 27% increase to \$13.1 million. Its loan production grew from 13 to 24.

■ Ontario-based **AmPac Business Capital**, which wasn't on last year's list, ranked No. 5 with a 157% increase in loans to \$11.9 million. That was mostly because its average size loan jumped from \$465,000 to \$1.09 million.

■ The biggest decliner was Wilmington, N.C.,-based **Live Oak Bank**, which reported lending fell 63% to \$8.3 million while the number of loans dropped from 15 to four.

■ Another big decliner was Laguna Hills-based **Harvest Small Business Finance LLC**, which fell 61% to \$7.2 million and dropped from No. 6 to No. 10. ■

The LIST

SBA Lenders

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ing more concern about the rising rate environment rather than an economic slowdown."

CDC Small Business Finance, a community development group, itself was able to double its own loan growth to \$49.2 million, taking the top position on this week's Business Journal list of the top local SBA lenders.

Average loan size for the CDC, which focuses on 504 loans for real estate, rose from \$756,738 to \$1.26 million.

"It was pent up demand that has come through this last six months," Hogan said. "We have done a better job of being in touch with the borrowers. We've been very creative in understanding borrowers, who had a difficult 2020 because of the pandemic. We couldn't keep up with the demand."

\$1.2M Average

The 15 lenders on this week's list issued

THE LIST SBA LENDERS



JENNIFER DAVIS
Senior VP of Business Development
TMC Financing



TODD HOLLANDER
Group Head of Business Banking, SBA,
Business Development Program
Union Bank



TODD MASSAS
Chief Origination Officer
Harvest Small Business Finance LLC



DANIEL MUÑOZ
VP of Commercial Lending and Senior Small
Business Loan Officer
CDC Small Business Finance



TUYEN T. SAM
Senior VP
CalPrivate Bank



CARLY WHITNEY
Senior VP and Business Development Officer
Business Finance Capital

THE LIST SBA LENDERS

▶ NEXT WEEK'S LIST *Public Companies*

RANKED BY DOLLAR VALUE OF SBA LOANS FOR THE SIX MONTHS ENDED MARCH 31, 2022

Rank	Company •Address	Company logo	Dollar value of SBA loans for the six months ended March 31, 2022 •yearly % change	Number of SBA loans for the six months ended March 31, 2022 •yearly % change	Range of SBA loans offered	Top SBA or local official(s) •Title •Phone/fax	
1 (2)	CDC Small Business Finance 3200 El Camino Real, Ste. 160 Irvine 92602-1380 Website: cdcloans.com Email: webinfo@cdcloans.com		\$49.21 million 110%	39 26%	\$5,000 to \$20 million	Daniel Muñoz/Mark Hogan VP, commercial lending/senior small business loan officer (714) 550-5444/(714) 550-5434	
2 (3)	Business Finance Capital 1055 W. Seventh St., Ste. 2250 Los Angeles 90017-2774 Website: bfcfunding.com Email: carly@bfcfunding.com		\$36.02 million 56%	29 53%	\$500,000 to \$30 million	Carly Whitney senior VP/business development officer (800) 722-7325/(213) 797-6722	
3 (1)	Union Bank 18300 Von Karman Ave., Ste. 200 Irvine 92612-1046 Website: unionbank.com/business Email: sba.programs@unionbank.com		\$15.41 million -36%	7 -56%	\$250,000 to \$5 million	Todd Hollander group head of business banking, SBA, business development program (877) 671-6877	
4 (7)	Wells Fargo Bank 2030 Main St., Ste. 700 Irvine 92614-7236 Website: wells Fargo.com Email: benjamin.stone-walsh@wellsfargo.com		\$13.15 million 27%	24 85%	\$5,000 to \$5 million	Benjamin Stone-Walsh senior VP/regional sales manager, SBA lending (310) 909-3032	
5 (NR)	AmPac Business Capital 3110 Inland Empire Blvd., Ste. B Ontario 91764-6572 Website: ampac.com Email: info@ampac.com		\$11.95 million 157%	11 10%	\$5,000 to \$30 million+	Hilda Kennedy president (909) 915-1706/(909) 752-3140	
6 (5)	California Statewide Certified Development Corp. 145 S. State College Blvd., Ste. 155 Brea 92821-5818 Website: calstatewide.com Email: carlo@calstatewide.com		\$11.91 million -46%	13 -19%	Up to \$10 million	Carlo Samson senior VP, senior loan officer, Southern California (800) 982-9192/(714) 462-4768	
7 (NR)	Mortgage Capital Development Corp. dba TMC Financing 16755 Von Karman Ave., Ste. 200 Irvine 92606-4963 Website: tmcfinancing.com Email: jdavis@tmcfinancing.com		\$11.58 million 151%	9 80%	\$500,000 to \$25 million	Jennifer Davis senior VP, business development (714) 432-6491	
8 (4)	Live Oak Bank 1757 Tiburon Drive Wilmington, N.C. 28403-6244 Website: liveoakbank.com		\$8.34 million -63%	4 -73%	\$250,000 to \$5 million+	Jeff Hildebrandt/Nick Lorenz/Heather Endresen VP, small business lending/VP, small business lending/senior VP, search fund lending (866) 518-0286/(866) 656-4611	
9 (NR)	Southland Economic Development Corp. 400 N. Tustin Ave., Ste. 125 Santa Ana 92705-3830 Website: southlandedc.com Email: mdavis@southlandedc.com		\$8 million 35%	8 33%	\$100,000 to \$5.5 million	Matt Davis president/COO (714) 868-0010/(714) 868-0011	
10 (6)	Harvest Small Business Finance LLC 24422 Avenida de la Carlota Laguna Hills 92653-3636 Website: harvestsbfc.com Email: dfoster@harvestsbfc.com		\$7.19 million -61%	5 -50%	\$500,000 to \$5 million	Todd Massas/Adam Seery/Evan Mitnick chief origination officer/COO/COO (714) 287-1425	
11 (NR)	Hanmi Bank 3660 Wilshire Blvd., Ste. 1100 Los Angeles 90010-2773 Website: hanmi.com/business/sba-lending Email: anna.chung@hanmi.com		\$6.42 million 458%	7 600%	Up to \$12 million	Bonnie I. Lee CEO/president (213) 427-5722/(213) 427-5774	
12 (NR)	CalPrivate Bank 4675 MacArthur Court, Ste. 1450 Newport Beach 92660-8889 Website: calprivate.bank Email: tsam@pbcapital.com		\$5.86 million 39%	3 0%	\$500,000 to \$20 million	Tuyen T. Sam senior VP (714) 240-8170	
13 (NR)	Sunwest Bank 2050 Main St., Ste. 300 Irvine 92614-8279 Website: sunwestbank.com Email: tchavez@sunwestbank.com		\$5.17 million 313%	5 150%	\$250,000 to \$5 million	Thomas 'TJ' Chavez director, government guaranteed lending (714) 881-4459/(714) 832-0258	
14 (NR)	T Bank National Association 16200 Dallas Parkway, Ste. 190 Dallas 75248-2637 Website: tbank.com Email: support@tbank.com		\$4.93 million NA	2 NA	Up to \$5 million	Scott Umbaugh president, SBA division (972) 720-9000/(972) 720-9025	
15 (NR)	First Bank of the Lake 4558 Osage Beach Parkway, Ste. 100 Osage Beach, Miss. 65065-2372 Website: fblake.bank Email: info@fblake.bank		\$4.87 million NA	2 NA	Up to \$15 million	Annemarie Murphy executive VP/president, SBA lending (573) 348-2265/(573) 348-0568	

Source: U.S. Small Business Administration, Santa Ana District Office and the lenders

Abbreviations: NA: not applicable; NR: not ranked

Note: The SBA receives the majority of its loans in the last six months of the year. The figures provided represent the SBA loans awarded in Orange County only. To the best of our knowledge, this information is accurate as of press time. While every effort is

made to ensure the accuracy and thoroughness of the list, omissions and typographical errors sometimes occur. List may not be reprinted without permission of the editor. Photos show the first top official listed.

Researched by Meghan Kliever