

SBA Loans Jump 63% as Average Size Gets Larger

FINANCE: \$207M for top 15 lenders in OC

By PETER J. BRENNAN

Loans under the **Small Business Administration** to local borrowers soared 63% to \$206.6 million on the Business Journal's annual list of lenders.

That compares with a 77% increase on last year's list and a 34% increase in 2019.

The 15 lenders on this week's list issued 174 loans, a 14% increase from last year. The average loan size was \$1.18 million, up from \$831,417 a year ago.

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

Union Bank claimed the top spot by reporting an 18% growth in loans to \$24.1 million and doubling the number of loans to 16. A year ago, Union Bank almost doubled to \$20.5 million in loans.

"Our growth is a reflection of good people and commitment from the bank," said **Todd Hollander**, who is head of Small Business and Business Banking for Union Bank. "We've made a big investment in people."

Nine 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.

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.

Ten lenders reported loan growth topping 15%. Not one lender on the list reported a decline. Six new companies made this year's list.

The pandemic and the ensuing **Paycheck Protection Program** forced Union Bank to fast track technology upgrades, Hollander said.

"We processed 18 years' worth of loans in six weeks," Hollander said. "Small businesses are still struggling with the impact of

the pandemic but we are seeing much more optimism with the roll out of the vaccine and the economy expected to increasingly recover through the summer months."

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.

Jared Wolff, chief executive at **Banc of California Inc.** (NYSE: BANC), told investors on a January conference call that he's considering SBA loans for real estate, as other types of SBA loans are riskier.

"People made loans that they shouldn't have made because they're supported by government guarantees and somehow they talk themselves into them," Wolff said. "And then when the economy goes bad, you're left with a big number of loans with an overall portfolio of small dollar balance, and it's a really big pain to work it out because you've got to follow all the government rules."

Notables

■ Irvine's **CDC Small Business Finance**, a community development group, rose 1% to \$23.5 million, falling from the top spot a year ago to second place. A year ago, it reported an 83% increase.

■ No. 3 **Business Finance Capital** of Los Angeles also rose about 1% to \$23.1 million. A year ago, it had a 155% jump.

■ **Live Oak Bank**, based in Wilmington, N.C., had the biggest increase in nominal terms, issuing almost \$17 million more loans to a total of \$22.8 million. The bank, which tripled the number of loans to 15, climbed eight spots to No. 4.

■ The most dramatic increase was a 1029% by **Readycap Lending LLC**, which is based in New York. It issued three loans totaling \$7.3 million.

■ Two new entrants made a splash in the SBA loans:

United Pacific Bank, which is based in the City of Industry, went from no loans a year ago to 4 loans totaling \$8.6 million, good for No. 9.

Advantage Certified Development Corp. of Long Beach ranked at No. 14 by issuing four loans that totaled \$6.5 million, compared with no loans in the prior year. ■

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CORRECTION:

On the **Commercial Real Estate Brokers** list in the April 12 issue, **SRS Real Estate Partners'** yearly percentage change for value of 2020 sales and leases transactions should be 17%.

THE LIST SBA LENDERS



TODD HOLLANDER
Executive VP and Head of SBA
Union Bank



TODD MASSAS
Chief Origination Officer
Harvest Small Business Finance LLC



RITA MITCHELL
VP and Regional Sales Manager, SBA Lending
Wells Fargo



CARLY WHITNEY
Senior VP and Business Development Officer
Business Finance Capital



MELANIE SMITH
Senior VP and SBA Manager
City National Bank



DAVID UM
Senior VP and SBA Department Manager
Commonwealth Business Bank

THE LIST SBA LENDERS

▶ NEXT WEEK'S LIST *Public Companies*

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RANKED BY DOLLAR VALUE OF SBA LOANS FOR THE SIX MONTHS ENDED MARCH 31, 2021

| Rank | Company •Address | Company logo | Dollar value of SBA loans for the six months ended March 31, 2021 •yearly % change | Number of SBA loans for the six months ended March 31, 2021 •yearly % change | Range of SBA loans offered | Top SBA or local official(s) •Title •Phone/fax | |
|------------|--|---|---|---|-----------------------------|--|---|
| 1 (3) | Union Bank 18300 Von Karman Ave., Ste. 200 Irvine 92612-1046 Website: unionbank.com/business Email: sba.programs@unionbank.com |  | \$24.12 million 18% | 16 100% | \$250,000 to \$5 million | Todd Hollander executive VP/head of business banking, SBA, commercial banking business development (877) 671-6877 |  |
| 2 (1) | CDC Small Business Finance 3200 El Camino Real, Ste. 160 Irvine 92602-1380 Website: cdcloans.com Email: webinfo@cdcloans.com |  | \$23.46 million 1% | 31 19% | \$5,000 to \$20 million | Mark Hogan/Stacey Sanchez/Daniel Munoz SBA loan expert/senior community loan officer/SBA loan officer (714) 550-5444/(714) 550-5434 |  |
| 3 (2) | Business Finance Capital 1055 W. Seventh St., Ste. 2250 Los Angeles 90017-2774 Website: bfcfunding.com Email: carly@bfcfunding.com |  | \$23.14 million 1% | 19 6% | \$500,000 to \$30 million | Carly Whitney senior VP/business development officer (800) 722-7325/(213) 797-6722 |  |
| 4 (12) | Live Oak Bank 1741 Tiburon Drive Wilmington, N.C. 28403-6244 Website: liveoakbank.com |  | \$22.76 million 266% | 15 200% | \$250,000 to \$5 million+ | Jeff Hildebrandt/Nick Lorenz/Heather Endresen VP, small business lending/VP, small business lending/senior VP, search fund lending (910) 790-5867/(910) 239-8174 |  |
| 5 (5) | California Statewide Certified Development Corp. 145 S. State College Blvd., Ste. 155 Brea 92821-5818 Website: calstatewide.com Email: carlo@calstatewide.com |  | \$22.11 million 93% | 16 60% | Up to \$10 million | Carlo Samson senior VP, senior loan officer, Southern California (800) 982-9192/(714) 462-4768 |  |
| 6 (7) | Harvest Small Business Finance LLC 24422 Avenida de la Carlota Laguna Hills 92653-3636 Website: harvestsb.com Email: tmassas@harvestsb.com |  | \$18.67 million 82% | 10 150% | \$500,000 to \$5 million | Todd Massas/Adam Seery/Evan Mitnick chief origination officer/COO/CFO (949) 446-8683 |  |
| 7 (13) | Wells Fargo Bank 6360 Irvine Blvd. Irvine 92620-2102 Website: wells Fargo.com |  | \$10.32 million 71% | 13 -43% | \$5,000 to \$5 million | Rita Mitchell VP, regional sales manager, SBA lending (949) 559-3340 |  |
| 8 (10) | Bank of the West 4400 MacArthur Blvd., Ste. 100 Newport Beach 92660-2035 Website: bankofthewest.com Email: james.cheung@bankofthewest.com |  | \$10.3 million 39% | 9 -36% | \$250,000 to \$25 million | James Cheung senior VP/SBA sales manager (949) 797-1900 |  |
| 9 (NR) | United Pacific Bank 1630 S. Azusa Ave. City of Industry 91748-1626 Website: upbnet.com |  | \$8.58 million NA | 4 NA | Up to \$5 million | Ada Chun senior VP/controller (626) 965-6230/(626) 965-2840 | |
| 10 (NR) | Byline Bank 4695 MacArthur Court, Ste. 1100 Newport Beach 92660-1866 Website: bylinebank.com Email: tchauhdary@bylinebank.com |  | \$8.07 million 160% | 4 300% | \$350,000 to \$10 million | Tipu Chauhdary senior VP/business development manager (630) 415-9300 |  |
| 11 (NR) | U.S. Bank SBA Division 3121 Michelson Drive, Ste. 326 Irvine 92612-7672 Website: usbank.com/sba |  | \$7.87 million 173% | 21 -36% | \$25,000 to \$11.25 million | Murray Anderson/Erik Grunwald/Peter Sang Lee/James Kim SBA business development officers (949) 224-7151 | |
| 12 (NR) | Readycap Lending LLC 1251 Avenue of the Americas, 50th floor New York 10020-1104 Website: readycapital.com |  | \$7.34 million 1,028% | 3 50% | \$350,000 to \$5 million | John Moshier president, small business lending (212) 257-4600 |  |
| 13 (NR) | Commonwealth Business Bank 3435 Wilshire Blvd., Ste. 700 Los Angeles 90010-2036 Website: cbb-bank.com Email: olivers@cbb-bank.com |  | \$7.31 million 5% | 7 0% | \$100,000 to \$5 million | David Um/Oliver Shin senior VP, SBA department manager/first VP, SBA regional manager (323) 648-3177/(323) 648-3195 |  |
| 14 (NR) | Advantage Certified Development Corp. 11 Golden Shore, Ste. 560 Long Beach 90802-4218 Website: advantagecdc.org Email: rchavez@504loans.org |  | \$6.47 million NA | 4 NA | \$125,000 to \$5.5 million | Ahmad Shafique president (562) 983-7450/(562) 983-7453 |  |
| 15 (15) | City National Bank 18111 Von Karman Ave., Ste. 450 Irvine 92612-7138 Website: cnb.com Email: melanie.smith@cnb.com |  | \$6.09 million 30% | 2 100% | Up to \$20 million | Melanie Smith senior VP/SBA manager (949) 223-4005/(213) 673-0455 |  |

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 Emily Santiago-Molina and Meghan Kliever

■ Highlight provided for fee