



OFFICE OF THE CHAIRMAN

February 8, 2012

Honorable Pat Quinn  
Governor of Illinois  
JRTC, 100 West Randolph, Suite 16-100  
Chicago, Illinois 60601

Dear Governor Quinn:

Thank you for your letter concerning the *Advantage Illinois* program, which participates in the State Small Business Credit Initiative (SSBCI) as part of the Small Business Jobs Act of 2010. The Federal Deposit Insurance Corporation shares your interest in enhancing access to capital and investments to spur small business lending. We note that the SSBCI and *Advantage Illinois* could be a catalyst for loan activity by helping banks leverage their capital and lending resources to provide solid and sustaining small business credit.

As primary federal regulator for over 300 community banks in Illinois, the FDIC understands the economic importance of small business lending in your state, and we have made a concerted effort to encourage bank lending to creditworthy small businesses. The FDIC's Chicago regional staff is aware of the SSBCI program and in particular the *Advantage Illinois* program. During 2011, the FDIC's Chicago Regional Office expanded outreach to Illinois bankers through several sessions that included a dialogue on small business lending in Chicago, Mount Vernon, and Springfield. Our Regional Office also participated in a session on small business credit with the Illinois Bankers Association. The FDIC believes these communication efforts have helped Illinois bankers become more comfortable originating soundly underwritten small business loans.

In order to make our views about small business lending clear, the FDIC and the other federal bank regulatory agencies issued the *Interagency Statement on Meeting the Credit Needs of Creditworthy Small Business Borrowers* on February 12, 2010 (copy enclosed). This Statement specifically addresses how regulators will view small business lending. It encourages banks to continue making prudent small business loans, emphasizes that – as with all lending – examiners will apply a balanced approach in evaluating such loans, and provides important underwriting and risk management considerations that are critical to prudently managing the risks in small business credit. We expect the Statement to apply to all small business lending – including any loans that are part of the SSBCI programs.

For some time, we have been concerned about the availability of small business credit. The FDIC will continue to support initiatives that make credit available to small businesses and encourage insured institutions that use these programs to do so in a safe-and-sound manner. Toward that end, we established a small business hotline at 855-FDIC-BIZ. We encourage small businesses with an inquiry or concern about the availability of credit to contact us at that number.

We will respond to inquiries about policies and financial institutions as well as make referrals to other government agencies and programs.

Thank you for your letter. If you have additional comments or questions regarding this matter, please feel free to contact me at (202) 898-3888 or Paul Nash, Deputy for External Affairs, at (202) 898-6962.

Sincerely,

A handwritten signature in cursive script that reads "Martin J. Gruenberg". The signature is written in black ink and is positioned to the right of the typed name.

Martin J. Gruenberg  
Acting Chairman

Enclosure