

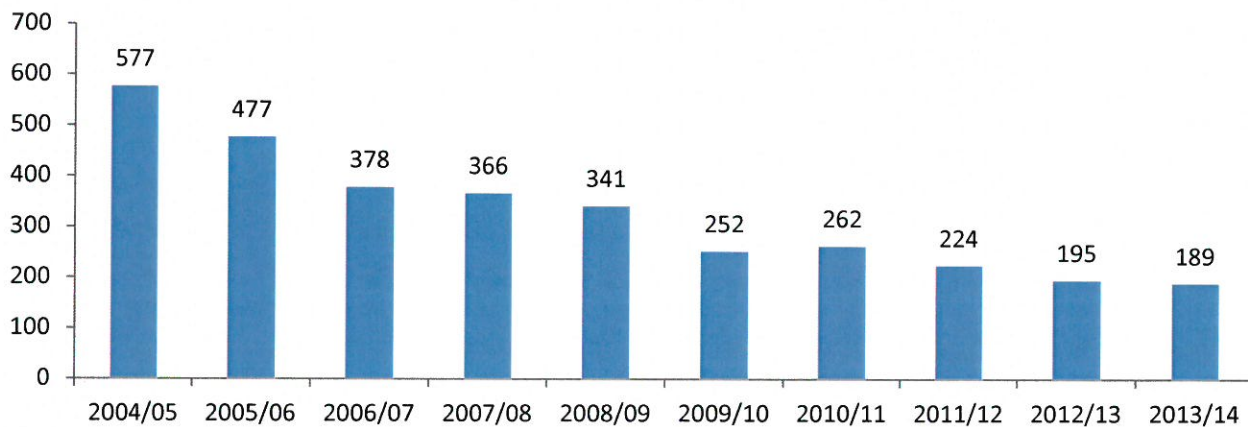
Ministry of the Economy

SMALL BUSINESS LOANS ASSOCIATION (SBLA) PROGRAM WIND DOWN BACKGROUND

A recent program review has determined that the Small Business Loans Association (SBLA) program does not align with current government direction. The Government of Saskatchewan is focused on providing broad-based tax programs and incentives such as reducing the Small Business income tax rate to 2 per cent to provide for business development and investment opportunities.

- There are currently 829 loans outstanding totaling \$8,325,265.
- The government will realize immediate savings of \$747,000 annually starting in the 2015-16 fiscal year.
- Uptake of the program has declined by over 67 per cent over the past ten years.
- The current economic climate is more conducive to business financing and capital needs.

of SBLA Loans (by Year)



*As of February 27, 2015, 189 loans have been approved in 2014/15.

- Although the program will cease to offer new loans, current loans will continue to be managed according to the original terms of the loan agreements and may take up to five years to collect.
- Program officials will work with the SBLAs to collect their loan portfolios.
- Existing agreements between the Government of Saskatchewan and each SBLA will not be cancelled. New funds will not be issued, however the balance of the agreement with SBLAs dealing with the collection and remittance of loan payments remains in effect.
- Any loan applications that have been post-marked or received in the Regina SBLA office prior to midnight March 19, 2015, will be processed as usual. Loan applications received after that time and date will not be approved.
- SBLAs are administered by volunteers or existing employees of municipalities or chambers; therefore, few if any layoffs are expected.
- Small business loans are still available from financial institutions, as well as Community Futures organizations.