

January 27, 2017

The Honorable Emmett W. Hanger, Jr.  
Co - Chairman  
Senate Finance Committee  
10<sup>th</sup> Floor, General Assembly Building  
Richmond, Virginia 23219

The Honorable Thomas K. Norment  
Co - Chairman  
Senate Finance Committee  
10<sup>th</sup> Floor, General Assembly Building  
Richmond, Virginia 23219

The Honorable Chris S. Jones  
Chairman  
House Appropriations Committee  
9<sup>th</sup> Floor, General Assembly Building  
P.O. Box 406  
Richmond, Virginia 23219

Dear Chairman Hanger, Chairman Norment and Chairman Jones:

Pursuant to Item 107 D (Special Session 1, 2004), the Executive Director of the Virginia Small Business Financing Authority (VSBFA) "...with the approval of the Director of the Department of Small Business and Supplier Diversity may transfer moneys between funds managed by the Authority. These include the Virginia Small Business Growth Fund (§2.2-2310, Code of Virginia); the Virginia Export Fund (§ 2.2-2309, Code of Virginia); and the Insurance or Guarantee Fund (§ 2.2-2290, Code of Virginia). The Executive Director of the Virginia Small Business Financing Authority shall report, by fund, the transfers made by January 1 of each year to the Chairmen of the Senate Finance and House Appropriations Committees." The activity listed on the following page is in fulfillment of that requirement.

In Fiscal Year 2016, the Virginia Small Business Financing Authority (VSBFA) had the following transfers between the above mentioned funds:

\$500,000 transferred from the VSBFA's State Economic Development Loan Fund to its State Cash Collateral Program, both within the VSBFA's Operating Account, in order to fund a qualifying request from a banking partner for a cash collateral credit enhancement for a loan extended by the bank;

\$750,000 transferred from the Virginia Department of Housing and Community Development (DHCD) to the VSBFA's Operating Account to fund award grants extended through Virginia Velocity, a business plan competition. As of FYE '16, \$362,896 had been extended in qualifying grants;

\$252,401 from the legacy Department of Minority Business Enterprise's (DMBE's) PACE Program to fund the new SWaM Business Microloan program as the result of legislation;

A total of \$665,634 was transferred from the following funds administered by the VSBFA for the purpose of meeting payroll obligations:

\$564,634 transferred from the VSBFA's operating account.

\$101,000 transferred from the U.S. Economic Development Administration's Economic Development Loan Fund per the VSBFA's approved plan filed with U.S. EDA.

Please feel free to contact me should have any questions.

Respectfully,



Scott E. Parsons  
Executive Director  
Virginia Small Business Financing Authority

Cc: Ms. Tracey G. Wiley, Director, Department of Small Business and Supplier Diversity  
Ms. Gail Letts, Board Chairman, Virginia Small Business Financing Authority