



Department SEMINARS

The Impact of the SBA Funding Programs on the Distance and Pricing of Loans to Small Businesses

MANISH GUPTA

Nottingham University Business School

THURSDAY, 13 APRIL 2023
12:15 PM

Seminar Room Bruguier Pacini, DEM



A B S T R A C T

What is the impact of Small Business Administration Preferred Lenders Program (PLP) on the distance between banks and small businesses and the pricing of the loans granted?

We test predictions from a stylized transportation cost model on 7(a) loan data from 2008 to 2019. We find that non-PLP banks (the SBA) grant loans to borrowers closer-by and at a loan rate higher than PLP banks.

A drop in SBA fees (in 2014) increases the distance to borrowers of both, but more so for PLP banks, and it reduces the loan rate charged by both, but less so for PLP banks.

For information: caterina.giannetti@unipi.it

