



## Media Advisory

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### FOR IMMEDIATE RELEASE

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## **Lenders, small businesses say demand for bank loans remains weak**

*Small biz lending panelists, **Colorado Gov. John Hickenlooper** stress borrower education, communication during CBA small business lending forum*

DENVER – Confirming what bankers have long suspected, non-bank small business lenders and small business advocates on Thursday agreed that small business demand for bank loans is low, although banks have money available to lend.

“The capital is out there and banks do have the money to lend,” said Tony Gagliardi, president of the Colorado Chapter of the National Federation of Independent Business. “But until the (economic) uncertainty is gone, small businesses are just not looking to borrow. Uncertainty is killing our economy.”

Gagliardi spoke to an audience of 55 people during a forum on the state of small business lending in Colorado, hosted by the Colorado Bankers Association.

He added that those who do seek loans must be better educated about their options and what steps are necessary to access available funding, noting that a “no” from one bank isn’t a “no” from all banks – or from non-traditional funding sources.

“The key is educating entrepreneurs to find the best funding fit,” said Will Hardin, a lender relations specialist with the SBA. He said banks can assist by helping to identify what a “perfect client” is.

Hardin participated in a panel of small business lenders – including Acción Colorado, Colorado Lending Source (CLS), the Small Business Administration (SBA) and the Rocky Mountain Micro

Finance Institute (RMMFI) – that stressed borrower education as key to helping small business borrowers secure credit.

The CBA launched [smallbizlending.org](http://smallbizlending.org) a year ago as a one-stop-shop information source for entrepreneurs seeking financing.

“Smallbizlending.org teaches small business borrowers not to take no for an answer,” said Don Childears, president and CEO of the Colorado Bankers Association. He said potential borrowers who get a “no” are encouraged to rework their plans and try again with a number of banks.

Jesse Golland, a loan officer for Acción Colorado, said, “The key is education. Borrowers can leave the experience with a good understanding of why they are not getting approved” – and where else they might go to access funding, until they can get approved by a traditional bank.

Each of the panelists stressed his or her organization’s effort to help entrepreneurs qualify for bank loans in the long-term. The organizations serve to provide funding for businesses where banks are not able to do so due to regulations or borrowers’ inability to qualify for loans.

“Our clients are un-bankable,” said Stacey Saggese, a co-founder of the RMMFI. “They continue in our lending cycle until they can become attractive to other, larger lenders.”

Bankers are encouraged to send those clients to partners to get started “so we can get them back to you,” said Nicole Christianson, a senior loan officer with CLS. “We want you to keep your customers.”

Colorado Governor John Hickenlooper – a former entrepreneur – said banks can serve as the first line of defense in alerting lawmakers to industries’ regulatory stress, as they communicate with, and make loans to businesses in nearly every industry.

“There is a fine point between having regulation and overreaching,” he said. “Bankers are the canary in the mine shaft.”

### **About the Colorado Bankers Association**

*The Colorado Bankers Association represents more than 90 percent of the 160 banks in Colorado, which have \$100 billion in assets, 1,700 branches, and 20,000 proud professionals. CBA advocates for Colorado banks of all sizes and charter types before governmental bodies and the public to continually promote and improve the banking industry amid challenge and a changing environment. CBA proactively seeks to increase benefits for bank customers, improve value for shareholders, and grow a stronger business climate for banks and our local economies. CBA supplements its effective advocacy with superior industry-specific information and education for bankers, and various high-quality products and services. CBA focuses on Building Better Banks and Helping Coloradans Realize Dreams.*

