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Businesses getting fed credit lines through United Bank

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United Bank of Philadelphia has started providing lines of credit to certified disadvantaged business enterprises with federal transportation-related contracts.

In adding the U.S. Department of Transportation program, the bank has kept access to funding from drying up for qualifying local businesses, said Grant Smith, financial analyst for the DOT Office of Small and Disadvantaged Business Utilization (OSDBU).

DOT's Short Term Lending Program makes one-year lines of credit of up to \$750,000 available to help DBEs fulfill con-

tracts. Until the deal reached with United Bank last month, the closest lenders to offer it were in Washington.

"It's accounts receivable financing so a lot of it's payroll and filling in the gaps between when the work is done and when the company actually pays them," Smith said. "With the economic times we are in right now banks aren't willing to lend as far as they used to, whereas we used to have six or seven banks and they could cover the entire country, now those banks can only cover their own specific region or their own state."

The Greater Philadelphia Minority Business Strategic Alliance, which has a three-year contract with OSDBU to help minor-

ity firms qualify and bid on procurement opportunities, has been pushing for the change to the African American-controlled United Bank, GPMBSA Executive Director Marjorie Anderson said.

"Now that the bank is locally located, if we have clients in the area they are only a stop away," Anderson said. "You might get a contract, but you have to start the work on your own money and this line of credit gives that advanced working capital."

United Bank of Philadelphia has long worked with emerging contractors in providing lines of credit, including under former Mayor John F. Street's Neighborhood Transportation Initiative program, bank President Evelyn Smalls said. The new

program will allow the bank to expand on efforts to help businesses too often kept from access to capital, Smalls said.

"We ... think we have developed a kind of niche and I think the familiarity flows through this program," she said.

The program will be promoted statewide, Smalls said.

"We are going to be looking at various ways to reach out across the state because I understand so far there are over 1,000 businesses that have been certified as disadvantaged small business," she said. "We certainly have a special interest for the immediate region, but we would look at someone who is a little further away in Pennsylvania." ■