

Verus Bank receives \$9.7M for loans

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Northern Colorado's Verus Bank has received \$9.7 million through the Small Business Lending Fund, money the bank says it can leverage into about \$90 million worth of small-business loans.

The fund, part of the Small Business Jobs Act, signed into law by President Barack Obama, encourages community banks to increase their lending to small businesses, which in turn help create jobs and business expansions.

Verus, the bank created in February by the merger of Fort Collins Commerce Bank, Larimer Bank of Commerce and Loveland Bank of Commerce, was the only Colorado bank to receive the funding through the U.S. Treasury Department.

"Through 2010, we were the No. 1 SBA lender in Northern Colorado," bank chairman Gerard Nalezny said. "We want to do more. We want to grow and expand. The \$9.7 million is about \$90 million worth of additional horsepower."

Small businesses employ about half of all workers and account for about 60 percent of gross job creation, according to the Treasury Department. "But small business owners faced disproportionate challenges in the aftermath of the recession and credit crisis, including difficulty accessing capital," the department said in a statement.

The Small Business Lending Fund provides capital to community banks with less than \$10 billion in assets.

Verus, after the merger, had \$250 million in assets.

The SBLF is a new Treasury program and a new source of capital for Verus Bank, Nalezny said.

"We were intrigued with this program. We want to expand and do more small-business lending. It's good for the region, good for the economy and good for the bank," he said. "It's an opportunity to expand and obviously that's what we've been focused on."

Before the merger, the three banks combined loaned about \$20 million in the Small Business Administration's 504 and 7(a) loan programs. "We certainly were motivated to grow our small business lending before," Nalezny said. "This just gives us more supply now and positions us to do more."

U.S. Treasurer Rosie Rios said in a statement the funding will help break down barriers to credit for small businesses so they can invest, expand, and create new jobs.

"Continuing to unlock access to capital for Main Street entrepreneurs is vital to strengthening economic growth and job creation in local communities across our country."

The dividend rate a community bank pays on SBLF funding is reduced as the bank increases its lending to small businesses —providing an incentive for new lending to small businesses so they can expand and create jobs, the Treasury Department said in a release.