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Pioneer Bank expanding its SBA lending program with new hire

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Pioneer Bank is building out a dedicated U.S. Small Business Administration lending program, led by a new hire.

Kate Morgan — previously a senior loan processor at Pursuit — joined Pioneer Bank last month as an SBA relationship manager to lead the bank's program, which will help small businesses that may be considered too early-stage for traditional lending with financing options.

Morgan spent eight years at Pursuit, the Albany area's largest SBA lender, working on both 7(a) and 504 loans. Last year, Morgan's team processed 90 SBA loans worth more than \$64 million.

Pioneer Bank chief banking officer Jesse Tomczak said Pioneer had thought about developing an SBA program for a while, and the idea came up again after the bank handled close to 1,000 Paycheck Protection Program loans worth \$130 million during the height of the Covid-19 pandemic.

"There's a lot of different loan funds and nontraditional means of lending and other forms of business support outside of just



PIONEER BANK

Kate Morgan recently joined Pioneer Bank as SBA relationship manager to build out the bank's U.S. Small Business Administration loan program.

capital," Tomczak said. "It's been a challenge for any one institution to try to bring all of that together, to get it to the end user. And it's been something that we've aspired to do here at Pioneer."

The Colonie-based bank is one of the largest in the region, with 22 offices and \$1.7 billion in deposits as of March 31. It's one of the larger commercial lenders in the region too, but did only one SBA loan last fiscal year, according to the Business Review's List, a \$4 million 7(a) loan for the Livingston Energy Group.

Connecting with and hiring Morgan, Tomczak said, will allow Pioneer to offer more of these types of loans and partner more with Pursuit as well as other alternative lending sources such as the Community Loan Fund of the Capital Region and Albany County's AI Tech Loan Fund.

"[Morgan] really has a great passion for the nontraditional forms of financing and the SBA loans, and has a great knowledge of it," Tomczak said. "It culminated together with our strategy behind how do we serve that space for the new startups in the Capital District, but also existing businesses that still need capital to fund their growth, but maybe aren't bankable yet."

Building up that program may take some time. Matthew Dahl, vice president of commercial markets for the bank, said they've approached Pursuit about expanding Pioneer's relationship with the lender.

Dahl said Pioneer recently put its branch managers through the commercial lending training program so that they can now be a part of the lending process up to \$100,000. The idea is that the branch managers will find a lot of the SBA-eligible deals.

Morgan said more businesses are aware of SBA lending options than in the past after so many went through the PPP loan process. She's talked with a restaurant owner who wants to expand to a second location, but needs to get their finances in order first; a prospective client taking over a physical therapy practice, and other small businesses looking to expand.

"I think every small business owner now knows what the SBA is," Morgan said. "After PPP, after the EIDLs, after the Restaurant Revitalization Funds, all of that, they are well versed in what the SBA is. If there's not more demand for it, at least there's an understanding of what the program is, what they offer and what they can do for them in the future."

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