

September 2012

## Lower Rio Grande Valley District

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Regional Administrator  
Region VI

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District Director

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[www.sba.gov/about-offices-content/2/3150](http://www.sba.gov/about-offices-content/2/3150)

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### Technical Assistance

#### SBDC:

#### UT Pan Am

Tele: 956-665-7535

[www.utpa.edu/sbdc](http://www.utpa.edu/sbdc)

#### Del Mar College

Tele: 361-698-1021

[www.delmar.edu/sbdc](http://www.delmar.edu/sbdc)

#### UTB IIC

Tele: 956-882-4119

[www.utb.edu/iic](http://www.utb.edu/iic)

#### SCORE

#### Harlingen

956-427-8623

[www.rgvscore.org](http://www.rgvscore.org)

#### Corpus Christi

361-879-0017, x305

[www.score-corpus-christi.org](http://www.score-corpus-christi.org)

#### Women-WBC

Tele: 956-380-2800

[www.wbc-rgv.org](http://www.wbc-rgv.org)

#### Veterans-VBOC

Tele: 956-665-7547

<http://ea.panam.edu/vboc>

### Procurement/Contracting

Tele: 956-665-7535

[www.utpa.edu/ptac](http://www.utpa.edu/ptac)

Tele: 361-698-1025

[www.delmar.edu/sbdc/ptac.html](http://www.delmar.edu/sbdc/ptac.html)

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All SBA programs and services are provided on a nondiscriminatory basis.

## Lender Rankings – Fiscal Year 2012 October 1, 2011 through August 31, 2012

### LRGV/CCBO Top 10 Volume 7(a) Lenders

1. BBVA Compass Bank	99	\$4,227,600
2. JP Morgan Chase Bank	18	\$3,697,000
3. Lone Star National Bank	10	\$2,639,300
4. ValueBank Texas	9	\$1,853,900
5. First Community Bank - CC	6	\$ 644,200
6. Wells Fargo Bank	5	\$ 994,000
7. Elsa State Bank & Trust Co.	4	\$3,677,000
8. American Bank	4	\$ 323,400
9. Broadway National Bank	1	\$2,000,000
10. First Western SBLC, Inc.	1	\$1,335,000
10. Southwest Securities, FSB	1	\$ 750,000

### LRGV/CCBO Top Volume CDC's

1. Texas Certified Development Co., Inc.	6	\$3,519,000
2. Brownsville Local Development Co. Inc.	5	\$3,164,000
3. ACCION Texas, Inc.	5	\$1,668,000
4. Capital Certified Development Corp.	1	\$1,066,000
5. Greater East Texas CDC	1	\$ 126,000

### LRGV/CCBO Top Volume Third Party 504 Lenders

1. Lone Star National Bank	5	\$3,884,406
2. First Community Bank – San Benito	1	\$1,918,513
3. International Bank of Commerce - Brownsville	1	\$1,287,500
4. Value Bank Texas	1	\$1,265,422
5. Security Service FCU	1	\$ 763,371

*Year to Date*

*Loan &  
Dollar  
Volume:*

*183 Loans  
Approved for  
\$32,692,000*

*Congratulations to Our Lenders Honored  
At Mid America Lenders' Conference 2012*

## Lower Rio Grande Valley District and Corpus Christi Branch Awards:

**Top 7(a) Volume Lender\***  
BBVA Compass Bank

**Top 504 Volume CDC\***  
Texas Certified Development Company, Inc.

**Rising Star Award**  
Lone Star National Bank

\*Lender award criteria from June 1, 2011 to July 31, 2012

# SBA CAPLine Program

## Featuring “Contract CAPLines”

Lenders take note!  This is the second in a series. The different CAPLine products will be discussed in subsequent newsletters. “CAPLine” is an SBA 7(a) guaranty program to finance all costs (excluding profit).

To be eligible for a Contract CAPLine, applicant must (1) qualify under standard 7(a) requirements (2) demonstrate ability to operate profitably based on prior contracts and (3) possess ability to bid, accurately project costs, and perform the work.

### Key Features include:

- Maximum line amount: \$5 million
- Regular SBA guaranty 75 – 85 percentages apply
- Maximum maturity up to 10 years.
- Can be disbursed with or without a BBC
- Extraordinary lender servicing fees permitted
- Can be processed regular 7(a) or PLP

### Other details in a “Nutshell:”

#### Use of Proceeds:

- Contract CAPLine: The contractor must use loan proceeds to finance the costs of one or more specific contract, including overhead or general and administrative expenses, allocable to the specific contract(s).
    - Proceeds may not be used for permanent working capital
    - Proceeds may not be used to cover any mark-up profit.
    - Advances of loan proceeds financing performance of one contract or sub-contract under a master agreement may not be used to finance the performance of another contract or sub-contract.
- ★ Please refer to SOP for specific details.

#### Collateral:

- Contract CAPLine: Applicants must be able to provide the lender with a first lien position on the contract(s) and the proceeds of the contract(s) financed with the line, by assignment to the participating lender and proper UCC filing. There may be exceptions to when an assignment is required.
- The lender may take additional collateral in accordance with its policies and procedures governing its similarly sized, non-SBA guaranteed commercial lines of credit.
- All liens must be perfected and the lien position verified prior to the initial disbursement.
- Requirement for personal guaranties are the same as the 7(a) Program.

#### Closing/Disbursement:

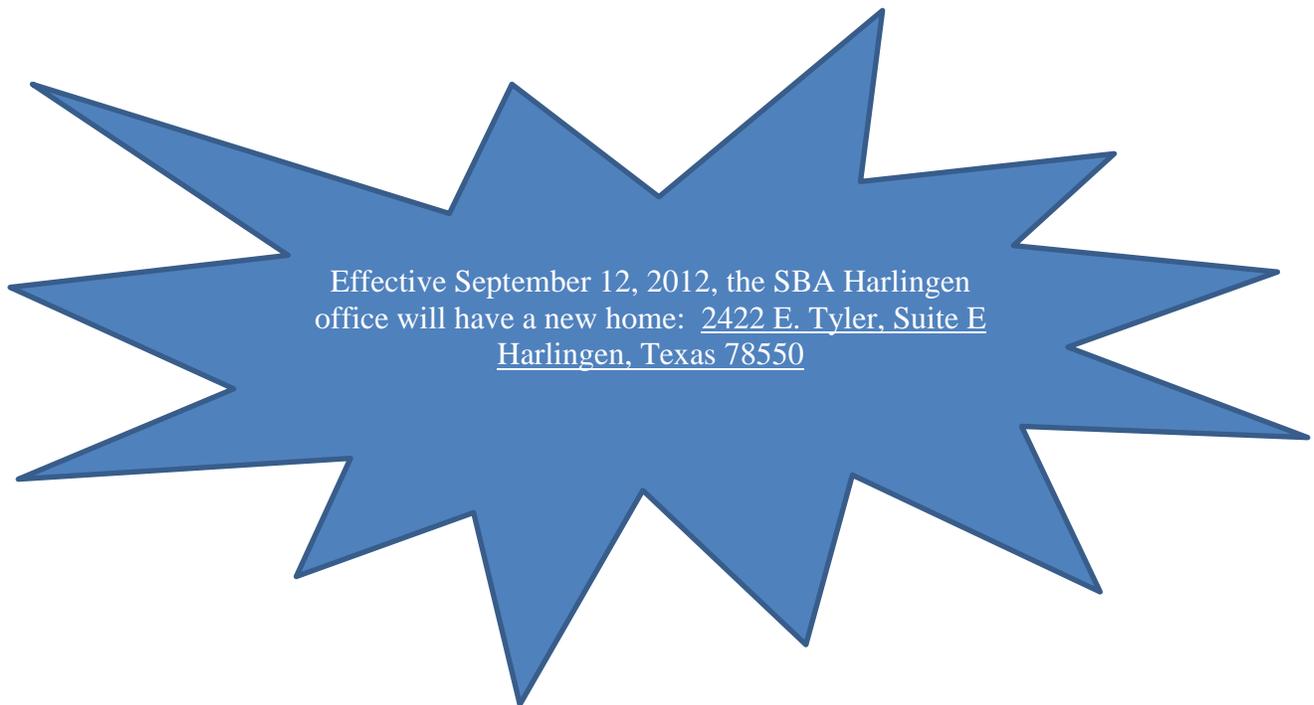
- Contract CAPLine: On all CAPLines lender has the option of using its own note and guaranty agreements rather than SBA’s versions (SBA Forms 147, 148 and 148L).
- Added guidance when the borrower is a prime vs. a subcontractor, when the contract involves surety bonding, and added the ability to finance a purchase order (previously only allowed in EWCP).
- Prior to initial disbursement on any Contract CAPLine, the entity the borrower has entered into the contract with must be advised in writing by both the lender and borrower that an assignment of the contract proceeds is required. Such assignment must be in place before any disbursement for a particular contract is made and include a provision for the lender’s right to receive all payments from the third party. The lender must receive written acknowledgement from the third party.
- Exception to the Assignment of Contract Proceeds: ★ Please refer to SOP for specific details.

**Application:**

- Non-delegated: standard 7(a) application forms submitted to the LGPC.
- Delegated: PLP lenders will use SBA Forms 1919 and 1920 (SBA Express forms) as well as their own documents, including the Lender's Credit Memorandum rather than the standard 7(a) application forms (which are used for other PLP loans). E-tran submission for SBA approval is required.

For further detailed information on this specific subprogram of CapLine, refer to SOP 50 10 5(E) at

<http://www.sba.gov/category/lender-navigation/forms-notices-sops>



**SBA UPDATES**

**To find the latest SBA forms, notices and SOP's go to:**

<http://www.sba.gov/category/lender-navigation/forms-notices-sops>

**For the Maximum Allowable Fixed Rate for 7(a) loans, go to:**

<http://www.colsonservices.com/main/news/New%20Maximum%20Allowable%20Fixed%20Rate%20for%207%20a%20Loans.pdf>