

Bank Notes

A Newsletter for Michigan Lenders

July 21, 2011

Issue 177

Michigan is #1!

Congratulations Michigan Lenders! Due to our extraordinary loan growth, as of June 30, 2011, the Michigan District Office has approved more 7(a) loans than any other district office in the country! Thank you for helping the SBA extend more capital to Michigan's small businesses!

Comparing third quarter of fiscal 2011 to the previous year, total loans have increased by 42% and total dollars by 60%, as shown below. This is largely driven from the major increase in the 7(a) program for both loan volume and size. Much of the increases in SBA lending overall can be attributed to the Small Business Jobs Act provisions that increased maximum loan size to \$5 million for 7(a) and \$1 million for SBAExpress, as well as providing fee relief and 90% guaranties for the first quarter of the fiscal year.

We anticipate that this record-setting performance will continue and we will **break \$1 billion in approvals by year end!**

Fiscal 2011 - 3rd Quarter Lending Report As of June 30, 2011

	<u>Fiscal 2011</u>	<u>Fiscal 2010</u>	<u>Change</u>
SBAExpress	993	561	77%
PLP	291	254	15%
Other 7(a) Loans	344	303	14%
Total 7(a) Loans	1,628	1,118	46%
7(a) Dollars	\$557,667,000	\$323,164,000	73%
504 Loans	177	155	14%
504 Dollars	\$77,514,000	\$73,552,000	5%
Loans to Minorities	125	102	23%
Loans to Veterans	90	75	20%
Loans to Women	249	189	32%
Total Loans	1,805	1,273	42%
Total Dollars	\$635,181,000	\$396,716,000	60%

August 4th First Thursday ReadyTalk Session

The next monthly First Thursday ReadyTalk session for lenders is scheduled for August 4 at 10:00 a.m.

This month, Brian Picarazzi will be providing training on Loan Authorizations. We'll also cover loan activity updates, and general questions and answers.

ReadyTalk is a Webinar program utilizing the Internet and a conference call system. To access the system:

From your computer:

1. Logon to www.readytalk.com
2. Login as a participant using the access code 3051501
3. Enter your name, email address, and company name as requested

From your telephone:

1. Dial 866.740.1260
2. Enter the Access Code 3051501 and press #

If this is your first ReadyTalk session, we recommend that you test your browser compatibility and network connection prior to the conference by logging onto the ReadyTalk Web site and click on the "Test your Computer" button under the login.

Please join us on August 4!

Do You Have Contract Loan Experience?

The SBA is in the process of revising the CAPLines loan programs to better understand current market practices and to help us tailor our programs to better meet YOUR needs. The Contact CAPLine is one of the programs undergoing revision. We are looking for lenders or institutions with contract loan experience that are willing to participate in a phone survey conducted by SBA headquarters to provide us with the best/current practices used to support contracts. If you can assist us, please contact Allen Cook at allen.cook@sba.gov. He will schedule a time at your convenience. Several Michigan lenders have already participated, and your assistance would be greatly appreciated. Thank you!

Reminder - Please Cancel Unused Loan Approvals

Please remember to cancel any unused loan approvals. Immediately upon approval, the SBA allocates capital for that loan. If the loan will not be funded, it is the lender's responsibility to cancel the loan. This will free up the allocated capital and ensure that we can assist as many small businesses as possible.

We recommend that lender's cancel loans using SBA's ETRAN system for the fastest turnaround time. If your institution is not signed up to use ETRAN, please contact the District Office to get set up. Lenders may also use SBA Form 2237 to cancel loans.

Reminder - SBAExpress Loan Limits

The Small Business Jobs Act allowed for a temporary increase for SBAExpress loans, increasing the maximum loan amount from \$350,000 to \$1 million until September 27, 2011. We have no indication that this increase will be renewed, thus returning the maximum loan amount to \$350,000. Please be aware of this change and manage your pipeline accordingly!

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