

THE LENDER'S ADVANTAGE

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MY INSPIRATIONAL FIRST MONTH AT SBA

BY MARIA CONTRERAS-SWEET, ADMINISTRATOR, SBA

One month ago, I took my oath and was given the opportunity of a lifetime to be a champion for America's small businesses.

In my first public statement after my swearing-in, I talked about my intention to support our job creators and build the U.S. economy from the middle out; to promote lending that reflects the diversity of America by getting capital to the areas that need it the most; and to use technology and best practices in customer service to make it easier for borrowers to borrow and lenders to lend.

Then, I immediately embarked on a listening tour to send a signal to entrepreneurs that I wanted a robust dialogue and open lines of communication to understand the range of challenges that Ameri-

ca's small business owners face.

It has been an exhilarating first month. On my third day on the job, I defended our FY15 budget before the Senate. I went to the Pentagon to meet with transitioning service members taking an SBA course on how to apply their military skills to civilian entrepreneurship. And I visited Washington state to accelerate the deployment of disaster aid to businesses and families impacted by the devastating mudslide.

I testified at a field hearing that explored how small business R&D can create more high-growth, high-paying jobs. Then, I met with military leaders to make sure the Department of Defense is making procurement decisions that harness the incredible innovation happening at small firms. I traveled to Baltimore and Boise to talk to emerging

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LENDER RANKINGS BY NUMBER OF LOANS

OCTOBER 1, 2013 THROUGH APRIL 30, 2014

LRGV/CCBO Top Volume 7(a) Lenders

1. BBVA Compass Bank	28	\$4,323,100
2. Lone Star National Bank	7	\$2,133,000
3. First Community Bank-CC	5	\$1,035,000
4. JP Morgan Chase Bank	5	\$ 425,000
5. Security Service Federal Credit Union	4	\$ 495,000
6. Wells Fargo	4	\$ 35,000
7. Frost Bank	3	\$ 502,000
8. Meadows Bank	1	\$3,798,400
9. Inter National Bank	1	\$ 280,000
10. Sterns Bank N.A.	1	\$ 250,000

LRGV/CCBO Top Volume CDC's

1. Capital Certified Development Corp.	5	\$1,872,000
2. Brownsville Local Development Co., Inc.	2	\$1,496,000
3. Accion	1	\$ 620,000
4. Greater Texas Certified Development Co.	1	\$ 445,000

*LRGV/CCBO Top Volume Third Party 504 Lenders

1. American Bank, N.A.	2	\$2,715,800
2. Prosperity Bank	1	\$ 899,000
3. Texas National Bank	1	\$ 750,616
4. Inter National Bank	1	\$ 693,250
5. Plains Capital Bank	1	\$ 613,238

Year to Date

Loan & Dollar
 Volume:

71 Loans

Approved for:

\$17,909,500

*Additional

Supported Dollars:

\$6,215,404

*3rd party portion of
 504 loans

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leaders and women-owned businesses about how to plug into federal contracting opportunities and earn business from the world's top buyer of goods and services: the United States government.

I sat down with women and minority entrepreneurs to hear about their challenges in getting access to capital, and I shared their stories this past week at two major lending conferences to explain SBA regulatory changes

that will make it easier to get capital to neighborhoods the recession left behind. We dropped the so-called "wealth test" and "nine-month rule," and we announced more collateral flexibility for our borrowers. These important technical changes will all increase the number of small businesses that qualify for SBA assistance.

At each stop, I've evangelized the SBA message of "three Cs and a D" – our work to deliver capital, contracts, counseling

and disaster assistance, which comprise the core of this agency's mission.

My listening tour continued Monday, May 12th with the kickoff of National Small Business Week at Twitter headquarters in San Francisco. Soon, I'll sit down with our exceptional SBA staff and begin the process of taking the insights gleaned from my time on the road to develop an action plan to take our agency to the next level.

But as I reflect on an eventful first month, the word that stays in my head is "inspirational." As our field team knows so well, our work does more than help America's small businesses succeed and our economy grow. So often, what we're really doing is empowering our entrepreneurs to give back and lift up entire communities.

We're helping women like Dr. Carla Thomas serve generations of families in her hometown of Inglewood, California. Less than four percent of this nation's dentists are African American, but with a real estate loan backed by SBA, Dr. Thomas now has her own building and a thriving practice three miles from the house where she grew up. She stayed "home" to provide dental care to local children and generations of families who need her. Dr. Thomas calls her practice "The Smile Studio."



On Friday, May 9th, the U. S. Small Business Administration's (SBA) Lower Rio Grande Valley District recognized the 2014 SBA Small Business Week Winners at a ceremony hosted by The University of Texas-Pan American (UTPA) Small Business Development Center (SBDC).



On Wednesday, May 14th, the U. S. Small Business Administration's (SBA) Corpus Christi Branch Office celebrated the Coastal Bend Small Business Week Awardees at a luncheon hosted by Del Mar College's Small Business Development Center (SBDC).

SBA NOTICE—SBA APPROVAL OF RECOVERABLE EXPENSES ON 7(A) LOANS

On April 7, 2014, SBA issued Information Notice 5000-1311. SBA announced a change to Standard Operating Procedure (SOP) 50 57 (7(a) Loan Servicing and Liquidation), which modifies the time periods when lenders may submit requests for approval of Recoverable Expenses, including those deducted from recoveries, on 7(a) Loans. Effective with the date of the notice, such requests may only be submitted:

1. With the Lender's Purchase Package, or
2. With the Lender's Wrap-up Report.

Previously, lenders were permitted to submit Recoverable Expense requests after guaranty purchase when aggregate expenses totaled \$5,000 or more, in addition to the two times referenced above. SBA is eliminating this option to streamline operations as part of its continuing effort to provide its lending partners with a high level of customer service and faster response times on all lender requests, in-

cluding guaranty purchase requests. (Attached to this Notice are two versions of change pages to SOP 50 57 implementing this change. One version incorporates the changes and the second version tracks the changes.)

Lenders should continue to use the Care and Preservation of Collateral (CPC) Tabs, located at <http://www.sba.gov/content/care-and-preservation-collateral-cpc-tabs>, when submitting Recoverable Expense requests with the Purchase Package or Wrap-up Report. Lenders that have already submitted Recoverable Expense requests on loans that are not ready for Wrap-Up will not have to resubmit their requests with the Wrap-up Report, unless the information previously submitted was incomplete.

Questions regarding this Notice should be directed to the Office of Financial Program Operations at sop5057@sba.gov.

If you have any questions regarding any notice, please contact Maria G. Perez, Lender Relations Specialist, at 956-427-8533 ext. 242 or by email at maria.perez@sba.gov or Rick Sturtevant at 361-879-0017 ext. 302 or by email rick.sturtevant@sba.gov.

LENDER TRAINING—AVAILABLE UPON REQUEST

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| 1. Introduction to SBA Lending – The 7(a) Loan Program | Contract, Seasonal, and Builder's | Working Capital Program, and Export Express | on SBA Loans via 1502 Reports |
| 2. Small Loan Advantage and E-TRAN | 4. SBAExpress | 7. 504 Loan Program | 10. Servicing, Liquidation and Purchase Procedures of SBA Loans |
| 3. Caplines: Working Capital, | 5. 10 Tab Submission | 8. Closing of SBA Loans | |
| | 6. International Trade, Export | 9. Reporting Requirements | |

For lender training in the Rio Grande Valley contact Maria Perez, Lender Relations Specialist at maria.perez@sba.gov or for the training in the South Coastal Bend counties contact Rick Sturtevant, Lender Relations Specialist at rick.sturtevant@sba.gov