

Los Angeles District Office

SBA LENDER UPDATE SBA

Resources for America's Small Businesses

SUMMER 2011, VOL. 3

Third Quarter SBA Loan Numbers Grow

SBA backed loans in Los Angeles, Ventura and Santa Barbara counties grew 48 percent in dollar volume and 12 percent in the number of loans during the government's third quarter of FY 2011 compared to the same time last year.

Between Oct. 1, 2010 and June 30, 2011 the Los Angeles District Office financed a portfolio of 1,928 businesses in the amount of \$1.26 billion compared to 1,725 businesses with \$850 million the same time last fiscal year – assisting small businesses to start, grow and succeed.

The SBA, technical assistance

partners, business owners and lenders all play a pivotal role in forging a robust economy and recovery.

As part of SBA's ongoing efforts, the Los Angeles District Office expanded lender, 8(a) and government contract training to assist local lenders and firms in seeking new opportunities and exploring new markets for future growth.

The top five lenders by number of SBA loans were: J.P. Morgan Chase, Wells Fargo, Center Bank, CDC Small Business Finance Corporation and Mortgage Capital Development Corp. in the third quarter of FY 2011.

504 Loan Program Now Includes Refinancing

Under the Small Business Jobs Act, SBA implemented a temporary 504 Refinancing Program, which will last until Sept. 27, 2012—allowing small businesses to refinance eligible fixed assets in the 504 program without requirement of an expansion, as is the case with typical 504 loans. This program provides small businesses the opportunity to lock in long-term, stable financing, as well as protect jobs.

Key Program Features

- SBA launched this temporary program on Feb. 17, 2011 and began accepting loan applications on Feb. 28, 2011. The program will end on September 27, 2012;
- Borrowers can finance up to 90 percent of the current appraised

property value, or 100 percent of the outstanding principal, whichever is lower, plus 504 eligible refinancing costs;

- SBA initially opened the program only to businesses with immediate need. Priority will be on those businesses potentially at risk because they face loan maturity or balloon payments before Dec. 31, 2012. SBA has subsequently revisited the program parameters, and opened the program to businesses with later balloon payments or that can demonstrate need in other ways;

- The program is structured like SBA's traditional 504 loan program: borrowers will work with third-party lending institutions and SBA-approved Certified Development

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Small Business Lending Fund Flows

Money from the Treasury Department's Small Business Lending Fund is now in the hands of community banks.

Enacted into law as part of the Small Business Jobs Act, the Small Business Lending Fund (SBLF) is a \$30 billion fund that encourages lending to small businesses by providing Tier 1 capital to qualified community banks. Through the Small Business Lending Fund, Main Street banks and small businesses are working together to help create jobs and promote economic growth in local communities across the nation.

Six community banks around the country received \$123 million in capital in the first round of funding provided by the fund. Banks with less than \$10 billion in assets can apply for capital in the form of preferred stock. The interest rate paid by a bank to Treasury for the funds begin at five percent but can decline to as little as one percent if a bank increases its small business lending sufficiently.

A total of 925 institutions have applied for a total of \$11.8 billion in Small Business Lending Fund capital.

"Expanding access to credit for small businesses will provide a powerful spark for growth and job creation," said Treasury Secretary Tim Geithner. "These funds will help ensure that more Main Street entrepreneurs have the opportunity to expand their businesses, invest in their local communities, and create new jobs."

The Lender's Advantage

For information on SBA Lender Training please contact:

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Small Business Week 2011

The SBA Los Angeles District Office announced the 2011 award winners at the 30th Annual Small Business Awards event co-sponsored by the Los Angeles Area Chamber of Commerce.

This year's competition presented awards to 11 entrepreneurs and small business champions in the Los Angeles area who are helping to drive the regional economy and accelerate economic recovery.

The luncheon, awards presentation and networking reception was held on Tuesday, June 7th at the Millennium Biltmore Hotel in downtown Los Angeles.

Entrepreneurs and small business owners from various industries competed from Los Angeles, Ventura and Santa Barbara counties and were nominated by local trade associations, chambers of commerce and business organizations. Local winners continued onto the regional and national level with the finalist honored at the White House with President Obama and SBA Administrator Karen Mills.

"The SBA commends the 2011 winners for their hard work and dedication," said Monique Fortenberry, Los Angeles SBA acting district director. "These local small businesses are driving our economy and pointing the way for other entrepreneurs."

"Small businesses are a powerful and positive force on our economy," said Gary Toebben, President & CEO, Los Angeles Area Chamber of Commerce. "The L.A. Area Chamber is proud to serve small businesses, and we applaud this year's award winners for their contributions in helping to drive our economic recovery."

The 2011 Small Business Awards luncheon is made possible in part through the contributions of supporters including: Bank of America; Goldman Sachs 10,000 Small Businesses; Beach Business Bank; JPMorgan Chase; Pacific Alliance Bank; Wells Fargo; Center Bank; East West Bank; Los Angeles Regional SBDC Network; Mercury Air Group, Inc.; Metropolitan Water District of Southern California; Nara Bank; Saehan Bank; Southern California Edison; U.S. Bank; Valley Economic Development Center, Verizon and several other supporting organizations.

The 2011 Small



Barry C. Levin
Small Business Person
of the Year
Snak King, Corp.
(City of Industry, CA)

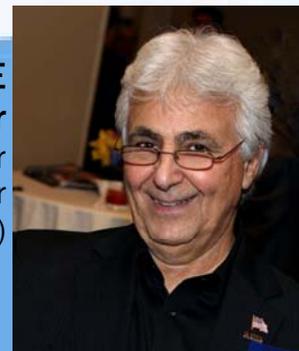


Madelyn Alfano
Women in Business Champion
Maria's Italian Kitchen
(Van Nuys, CA)



Women's Business Center
Asian Pacific Islander Small Business Program
Women's Business Center of Excellence Award
Colleen Seto, Director
(Los Angeles, CA)

SCORE
SCORE—Ventura Chapter
SCORE Chapter of the Year
Michael Scotto, Chapter Chair
(Ventura, CA)



Business Award Winners



Antonio Zate
Financial Services Champion
Wells Fargo, N.A.
(Los Angeles, CA)



Paul Mazbanian
SBA Young Entrepreneur of the Year
Small Business Community Lending
(Glendale, CA)



Elham Ebiza
Environmental “Green” Conservator of the Year
California Recycles
(Los Angeles, CA)



Dorothy C. Randle
Minority Small Business Champion
City of Los Angeles, Mayor’s Office of
Economic & Business Policy
(Los Angeles, CA)



Derek A. Romo
Home-Based Business Champion of the Year
Work-at-Home Business Expo
(Fallbrook, CA)



**Small Business Development Center
Santa Monica SBDC**
Small Business Development Center Service
Excellence and Innovation Award
Michelle King, Director
(Santa Monica, CA)



Frank Mancini
Veteran Small Business Champion
ELITE SDVOB
(Santa Monica, CA)

**LOS ANGELES
DISTRICT OFFICE**

**3RD QUARTER
LENDER RANKINGS
10/01/10 - 6/30/11**

No. 1 Lender

J P MORGAN CHASE
213
\$35,192,900

No. 2 Lender

WELLS FARGO BANK
126
\$49,986,300

No. 3 Lender

CENTER BANK
125
\$124,688,400

#	Lender	Loans	Dollar Amount	#	Lender	Loans	Dollar Amount	#	Lender	Loans	Dollar Amount
1	JPMORGAN CHASE BANK	213	\$35,192,900	43	CALIFORNIA CU	10	\$8,226,000	85	COMMUNITY W. BANK NATL ASSOC	3	\$875,000
2	WELLS FARGO BANK	126	\$49,986,300	44	LIVE OAK BANKING CO	9	\$997,500	86	SANTA CLARA VALLEY BANK NATL	3	\$839,000
3	CENTER BANK	125	\$124,688,400	45	GBC INTERNATIONAL BK	8	\$5,645,000	87	PARTNERS BANK OF CALIFORNIA	3	\$775,000
4	CDC SMALL BUS. FINAN CORP	105	\$79,447,000	46	PACIFIC COMMERCE BK	8	\$8,346,000	88	MISSION VALLEY BANK	3	\$272,200
5	MORTGAGE CAP. DEVEL CO	94	\$87,506,000	47	PROMERICA BANK	7	\$2,663,000	89	GOLDEN COAST BANK	2	\$3,300,000
6	WILSHIRE STATE BANK	72	\$46,575,000	48	ROYAL BUSINESS BANK	7	\$3,961,500	90	UNITED MIDWEST SAVINGS BANK	2	\$2,900,000
7	U.S. BANK	68	\$37,316,200	49	COUNTY COMMERCE BK	7	\$10,594,000	91	MANUFACTURERS BANK	2	\$2,700,000
8	EDF RESOURCE CAPITAL	58	\$45,510,000	50	SECURITY BANK OF CA	7	\$2,345,900	92	WORLD TRADE FINANCE, INC.	2	\$2,500,000
9	EAST WEST BANK	51	\$32,575,500	51	FULLERTON COMMUNITY BK	6	\$6,357,400	93	PAN PACIFIC BANK	2	\$2,400,000
10	PACIFIC CITY BANK	45	\$40,734,900	52	BANK OF SANTA CLARITA	6	\$2,540,000	94	CAPITAL ACCESS GROUP, INC.	2	\$1,651,000
11	OPEN BANK	44	\$26,963,700	53	SAN FERNANDO VALLEY SMALL BUS.	6	\$2,077,000	95	LANDMARK CERT. DEVEL CORP	2	\$1,347,000
12	BORREGO SPRINGS BANK	44	\$17,567,600	54	TOMATOBANK, N.A.	6	\$2,745,800	96	CHINATRUST BANK USA	2	\$890,000
13	SUPERIOR FINANCIAL GROUP, LLC	44	\$547,500	55	UNION BANK, N.A.	6	\$2,928,900	97	CIT SMALL BUS. LENDING CORP	2	\$852,300
14	CITY NATIONAL BANK	39	\$15,064,100	56	FIRST GENERAL BANK	5	\$3,588,000	98	VISION ONE CU	2	\$725,000
15	CALIFORNIA STATEWIDE CERT	38	\$27,531,000	57	CAPITAL BANK	5	\$554,900	99	CITIZENS BUSINESS BANK	2	\$575,000
16	HANA SMALL BUS. LENDING	34	\$45,007,000	58	SOUTHLAND ECONOMIC DEVEL	5	\$3,030,000	100	MID ST. DEVEL CORP	2	\$506,000
17	NARA BANK	34	\$30,590,000	59	MERCHANTS BK - CALIFORNIA	5	\$4,820,000	101	CIRCLE BANK	2	\$490,000
18	SEACOAST COMMERCE BK	34	\$29,055,600	60	US METRO BANK	5	\$3,095,000	102	PACIFIC MERCANTILE BK	2	\$400,000
19	COMMONWEALTH BUSINESS BK	33	\$20,509,000	61	FIRST REPUBLIC BANK	5	\$910,000	103	USC CU	2	\$357,000
20	COMMUNITY BANK	27	\$20,058,400	62	COASTHILLS FCU	5	\$7,060,000	104	PREMIER AMERICA CU	2	\$20,000
21	SAEHAN BANK	24	\$31,769,000	63	UNITI BANK	5	\$11,078,000	105	REPUBLICBANKAZ NATL	1	\$2,694,000
22	PREMIER COMM. BANK	22	\$23,076,400	64	UNITED CENTRAL BANK	4	\$3,579,000	106	SMALL BUSINESS CAPITAL	1	\$1,353,800
23	HANMI BANK	22	\$16,098,500	65	LOS ANGELES CNTY SMALL BUS. DE	4	\$2,756,000	107	FIRST PRIVATE BANK & TRUST	1	\$1,000,000
24	GILMORE BANK	20	\$16,000,100	66	NEWTEK SMALL BUS. FINANCE INC.	4	\$1,071,400	108	STELLAR BUSINESS BK	1	\$819,000
25	CALIFORNIA BANK & TRUST	20	\$3,823,000	67	THE BANK OF SANTA BARBARA	4	\$4,845,000	109	MISSION COMMUNITY BANK	1	\$630,000
26	PACIFIC ENTERPRISE BANK	18	\$16,731,200	68	ENTERPRISE FUNDING CORPORATION	4	\$750,000	110	SILVERGATE BANK	1	\$530,000
27	MONTECITO BANK & TRUST	18	\$4,327,400	69	CATHAY BANK	4	\$4,221,100	111	BAY AREA EMPLOYMENT DEVEL	1	\$526,000
28	BEACH BUSINESS BANK	15	\$19,725,200	70	ADVANTAGE CERT. DEVEL CORP	4	\$3,610,100	112	BNC NATIONAL BANK	1	\$500,000
29	PACIFIC ALLIANCE BANK	15	\$18,880,000	71	CAPITALSOURCE BANK	4	\$888,500	113	EMBARCADERO BANK	1	\$500,000
30	COMMERCE NATIONAL BANK	15	\$14,477,400	72	PACIFIC PREMIER BANK	4	\$250,000	114	SPIRIT OF TEXAS BANK, SSB	1	\$372,000
31	BANK OF AMERICA	15	\$5,520,000	73	SCE FCU	4	\$2,788,000	115	THE BANCORP BANK	1	\$319,400
32	PLAZA BANK	14	\$16,528,100	74	GATEWAY BUSINESS BANK	4	\$5,908,000	116	NEVADA STATE BANK	1	\$278,000
33	CELTIC BANK CORPORATION	14	\$14,429,800	75	XCEED FINANCIAL FCU	4	\$3,429,500	117	COASTAL BUSINESS FIN	1	\$260,000
34	EXCEL NATIONAL BANK	12	\$12,576,400	76	COMPASS BANK	4	\$4,609,000	118	NAVY FCU	1	\$245,000
35	NATIONAL BANK OF CA	12	\$9,534,000	77	BANCO POPULAR NORTH AMERICA	4	\$849,500	119	REPUBLIC BANK & TRUST	1	\$234,200
36	AMPAC TRI-STATE CDC, INC.	12	\$6,516,000	78	UNITED PACIFIC BANK	4	\$681,000	120	HABIB AMERICAN BANK	1	\$200,000
37	CITIBANK, N.A.	12	\$2,538,400	79	CALIFORNIA BUSINESS BANK	3	\$875,000	121	PACOIMA DEVELOPMENT FCU	1	\$110,000
38	BANK OF THE WEST	11	\$8,004,100	80	MEADOWS BANK	3	\$839,000	122	MALAGA BANK FSB	1	\$105,000
39	GROW AMERICA FUND INC	11	\$2,642,000	81	FIRST CHOICE BANK	3	\$2,005,000	123	HSBC BANK	1	\$75,000
40	AMERICAN CONTINENTAL BANK	10	\$8,226,000	82	CREDIT UNION OF SOUTHERN CALIF	3	\$1,736,000	124	COMMERCEWEST BANK	1	\$25,000
41	SHINHAN BANK AMERICA	10	\$6,449,000	83	GRANDPOINT BANK	3	\$272,200				
42	HERITAGE OAKS BANK	10	\$5,752,200	84	MEGA BANK	3	\$925,000				
									TOTAL	1,928	\$1,257,319,200

504: Cont. from page 1

Companies (CDCs), typically private, non-profit organizations to obtain financing, in a traditional 10%/50%/40% split;

- SBA estimates that as many as 20,000 businesses may ultimately participate in this program, which will provide up to \$15 billion in SBA-guaranteed financing leading to total project financing of over \$30 billion; and
- The program, which is completely separate from SBA's traditional 504 program, is zero-subsidy, requiring no cost to the taxpayer: It is funded entirely through additional fees assessed for refinancing projects.

Key Risk Mitigating Factors

- Applicants must demonstrate that their loans are current and that they have successfully made all required payments in the last year;
- A new, independent appraisal is required for all projects;
- SBA will perform full and thorough underwriting on all refinancing applications (i.e., there are no 'delegated' lenders); and
- Initially, the first mortgage loans on existing 504 projects are not eligible, and "cash out" refinancings are not permitted. SBA may later revisit these restrictions. In addition, no government guaranteed loan is eligible for this refinancing program.