

SBA looks to resume funding for ARRA programs; ARC loans still available

SBA continues to work with the President and Congress to get authority and funding to resume making ARRA loans, and to secure longer term funding and authorization to extend ARRA loan-making with higher guarantees and reduced fees.

These Recovery Act enhancements to SBA loan programs have been very successful in improving small business access to commercial credit.

Since the Recovery Act was signed into law on Feb. 17, 2009, average weekly dollar volume for SBA-backed

loans has risen by more than 90 percent in the 7(a) and 504 programs, compared to the weekly average before passage of the Recovery Act.

Since passage of the Recovery Act, SBA has supported more than \$29 billion in Recovery loans to small busi-

See ARC, continued on page 2

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New First Mortgage Loan Poolers Will Jump-Start Secondary Market for SBA 504 Loans

The SBA has announced the first nine loan pool originators authorized by the agency to assemble and sell pools of 504 program first mortgage loans, a major step to jump-starting a secondary market that should make fixed asset financing more widely available for small businesses.

The new program was approved under the American Recovery and Reinvestment Act.

Prior to the recent disruption in the credit market, a private secondary market for these loans existed, but has not revived as the economy has started to rebound. SBA expects this new program to breathe new life into that secondary market and improve access to credit for small businesses.

"Under the program, the SBA will provide a government guarantee on pools of portions of eligible 504 first mortgage loans assembled by approved pool originators to be sold to third-party investors. Lenders will retain at least 15 percent of each individual loan, pool originators will assume 5 percent of the risk, and the SBA will guarantee the remaining 80 percent.

Typically, a 504 project includes three elements: a loan (or first mortgage) secured with a senior lien from a private-sector lender covering up to 50 percent of the project cost, a second mortgage secured with a junior lien from a Certified Development Company (backed by a 100 percent SBA-guaranteed debenture) covering up to 40 percent of the cost, and a contribution of at least 10 percent equity from the small business borrower.

Under the new program, portions of the senior liens are pooled by pool originators and sold to investors in the secondary market. To be eligible to be included in a pool, the first mortgage must be associated with a 504 loan disbursed on or after February 17, 2009. The program will be in place until February 16, 2011, or until \$3 billion in new pools are created, whichever occurs first.

The pool originators approved so far are:

- Bank of America, N. A. of New York, New York
- Cantor Fitzgerald & Co. of New York, New York
- Citizens Bank of Elizabethton, Tennessee
- Coastal Securities, Inc. of Houston, Texas
- Community South Bank of Knoxville, Tennessee
- Fidelity Bank of Covington, Georgia
- Meadows Bank of Las Vegas, Nevada
- Morgan Stanley Bank, N.A. of Salt Lake City
- Voyager Bank of Eden Prairie, Minnesota

For additional information on the pool originators, visit <http://www.sba.gov/aboutsba/sbaprograms/elending/secondarymarket/index.html>. The list will be updated regularly as new originators are approved.

The Lender's Advantage is published by the U.S. Small Business Administration's Oklahoma District Office, located at 301 N.W. 6th St. Suite 116, Oklahoma City, OK 73102, to provide relevant and timely information to Oklahoma lenders. **For questions or more information, call Darla Booker, 405-609-8012 or email darla.booker@sba.gov.** All of the SBA's programs and services are provided to the public on a non-

IRS Contact Information Updated

Telephone numbers have been updated for IRS Service Centers, which are to be used to request copies of IRS tax transcripts to verify business financial information included in SBA loan applications. This Notice applies only to the 7(a) and 504 Loan Programs.

Lenders are reminded that all SBA 7 (a) and 504 related requests for IRS tax transcripts must be submitted using the

new IRS Form 4506-T. A copy of Form 4506-T is available on SBA's Intranet site (<http://>

yes2007.sba.gov/Pages/default.aspx) and the SBA Banking site (<http://www.sba.gov/banking/>). Please note that SBA's logo must be included at the top of the form to ensure SBA related requests are expedited and to ensure there will be no charge for the transcripts.

For more information, please contact the IRS, Robert Shearer at 816-291-9727, e-mail: Robert.G.Shearer@irs.gov, Mary

Ray at 816-291-9717, e-mail: Mary.R.Ray@irs.gov; or SBA contact V. Anita Jacobs at (202) 205-6557, e-mail: Valoris.Jacobs@sba.gov.

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Lender ReadyTalk Training session July 21, 10 a.m.

The Oklahoma District Office will conduct a free, one-hour, on-line training session held in conjunction with a conference call.

To access the training slides, go to www.readytalk.com, and in the box entitled "join a meeting", enter Access Code 3068002. Next, call 1-866-740-1260 and enter the Access Code again to link into to the conference portion. For more information, please call Bobbie Deberry at 405/609-8022.

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ness.

Small business owners stressed with meeting expenses during these economic times may be eligible for the SBA American Capital Recovery Loan Program. ARC loans will be offered by some SBA lenders for as long as funding is available or until September 30, 2010, whichever comes first.

SBA's America's Recovery Capital Loan Program can provide up to \$35,000 in short-term relief for viable small businesses facing immediate financial hardship to help ride out the current uncertain economic times and return to profitability. Each small business is limited to one ARC loan.

As of June 18, SBA has approved 741 7(a) and 504 Recovery Act-funded loans supporting \$263,526,200 in lending to Oklahoma small businesses. During this same time period, SBA has approved 52 ARC loans totaling about \$1,715,475.

Below is a list of state lenders who have made ARC loans.

America's Recovery Capital (ARC) Program Oklahoma Lender Participation Data through 05/21/2010 *Lender.....Number of Loans Made*

1ST NATL BK - LIBERAL.....1	FIRST NATL BK - OKLAHOMA.....1
1ST NATL BK & TR CO - BROKEN ARROW.....6	FIRST NATL BK & TR CO - MCALESTER.....1
1ST NATL BK & TR COMPANY CHICKASHA.....1	FIRST UNITED BK & TR CO.....1
ACB BANK.....3	JPMORGAN CHASE BANK NATL ASSOC.....3
ARVEST BANK.....2	RCB BANK.....1
BANCFIRST.....14	THE BANK OF KREMLIN.....1
CITIZENS SECURITY BK & TR CO.....3	THE YUKON NATIONAL BANK.....1
COMMUNITY BANK & TRUST.....1	TRIAD BANK NATL ASSOC.....1
COPPERMARK BANK.....4	TULSA NATIONAL BANK.....2
FARMERS STATE BANK.....1	WESTERN STATE BANK.....1
FIRST AMERICAN BANK.....1	

Oklahoma Top 10 SBA Lenders & CDCs through May - FY 2010

Top volume lenders by number of loans

1	BancFirst	61 loans	\$20,658,700
2	Arvest Bank	40 loans	\$5,946,200
3	JP Morgan Chase Bank, N.A.	28 loans	\$5,067,100
4	Borrego Springs Bank, N.A.	22 loans	\$832,000
5	Superior Financial Group, LLC	18 loans	\$187,500
6	MidFirst Bank	17 loans	\$1,448,400
7	ONB Bank & Trust Company	16 loans	\$5,697,616
8	Great Plains National Bank	12 loans	\$5,372,200
9	RCB Bank	8 loans	\$5,080,400
10	Citizens Security Bank & Trust Co.	8 loans	\$4,876,000

Top volume CDCs by number of loans

1	Metro Area Development Corporation	19 loans	\$7,262,000
2	Rural Enterprises of Oklahoma, Inc.	16 loans	\$5,276,000
3	Small Business Capital Corp.	14 loans	\$4,964,000
4	Tulsa Economic Development Corp.	5 loans	\$2,452,000

Top volume lenders by dollar value of loans

1	BancFirst	61 loans	\$20,658,700
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5	RCB Bank	8 loans	\$5,080,400
6	JP Morgan Chase Bank, N.A.	28 loans	\$5,067,100
7	Citizens Security Bank & Trust Co.	8 loans	\$4,876,000
8	Security Bank	7 loans	\$4,289,000
9	First Financial Bank	4 loans	\$3,601,500
10	ACB Bank	7 loans	\$3,062,800

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Top 10 SBA Loans for May 2010

Date	Borrower	City	Loan Amount	Lender
5/13/2010	City Trailer Inc.	Oklahoma city	\$2,000,000.00	RURAL ENTER. - OKLAHOMA INC.
5/19/2010	JAMES G. INGRAM & RICKY ANN IN	SHATTUCK	\$1,500,000.00	THE SHATTUCK NATIONAL BANK
5/25/2010	CRTS, INC	TULSA	\$1,500,000.00	GRAND BANK
5/28/2010	Candlewood Inn and Suites Lawt	Lawton	\$1,500,000.00	RURAL MISSOURI, INC.
5/3/2010	THE NORMA LEE KAUFFELD REVO-	WATTS	\$1,260,800.00	ARVEST BANK
5/26/2010	MTR Holdings, LLC	CHECOTAH	\$655,000.00	JPMORGAN CHASE BANK NATL
5/26/2010	MCKEE BEAUTY SUPPLY, INC (OC)	PONCA CITY	\$550,000.00	THE EASTMAN NATIONAL BANK
5/6/2010	Raster Master LLC	Oklahoma city	\$486,000.00	BANCFIRST
5/11/2010	Dean and Marti Schneider	Adair	\$486,000.00	SMALL BUS. CAP. CORP
5/18/2010	JUSTIN D. JONES & HEATHER D. J	IDABELL	\$485,500.00	FIRST FINANCIAL BANK