



THE LENDER'S ADVANTAGE

Nov. 2011
Vol. 8, Issue 1

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*The Lender's
Advantage is a
publication by the
SBA's West Virginia
District Office.*

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

FY 2011 Year-End Results

The West Virginia District Office finished FY 2011 with a total of 186 loan approvals totaling \$46.7 million. Although the number of loans declined when compared to FY 2010, the dollar volume actually increased by \$2 million. See the final lender ranking for FY 2011 on page 4 of this publication to see where your institution ranked.

Thank you Lenders!

Permanent Export Express Program

The Export *Express* Program is designed to help meet the export financing needs of small businesses too small to be effectively met by existing SBA export loan guaranty programs. It is generally subject to the same loan processing, closing, servicing, and liquidation requirements as well as the same maturity terms, interest rates, and applicable fees as the SBAExpress Loan Program. The two major advantages Export *Express* has over SBAExpress is that it receives a higher loan guarantee (90% up to \$350K) and has a higher loan maximum loan amount (\$500K). The major restriction is that the Use of Proceeds must be to support exporting.

Existing SBAExpress lenders will continue to have Export *Express* authority through **Dec. 2, 2011**. After that date they must have a signed **Export Express Supplemental Guaranty Agreement** to make Export *Express* loans. The procedures for receiving permanent Export *Express* authority are different based on the Lender's existing authority.

Active SBAExpress Lenders will need to submit a request to SBA. The request should be submitted to the West Virginia District Office or the U.S. Export Assistance Center (USEAC). Once approved, SBA will send the lender the Export *Express* Supplemental Agreement which the lender will have 30 days to execute and return. The lender's Export *Express* authority will coincide with the expiration date of their SBAExpress authority.

Existing 7(a) lenders that do not participate in the SBAExpress program but would like to participate in the Export *Express* program will need to submit a nomination request to the West Virginia District Office. We will contact the USEAC for comments and process the request in accordance with the procedures and process for the SBAExpress program as prescribed under SOP 50 10 5(D). Lenders can request SBAExpress and Export *Express* simultaneously, but are not required to do so.

Please see accompanying [SBA Notice 5000-1216](#) for additional information, go to page 44 of SOP 50 10 5(D) (www.sba.gov/about-sba-services/7481/24141), or contact your SBA representative.

*Accompanying this newsletter is a **Quick Reference to SBA Loan Guaranty Programs** chart which contains an overview of all SBA lending programs. Print it out and keep it handy as a reference tool for SBA loans.*

PLP and Express Lenders – E-Tran Origination

Effective Oct. 1, 2011, **ALL** PLP and *Express* loans **MUST** be submitted to SBA through E-Tran.

Lenders will not be able to fax an eligibility checklist to SBA and request a loan number. PLP and *Express* lenders that **DO NOT** have access to E-Tran origination should request access **ASAP**. Go to www.sba.gov/content/e-tran for information and instructions on how to request access and to use the system.

If you need E-Tran training and/or assistance, you can contact [Emma Wilson](mailto:emma.wilson@sba.gov) at (304) 347-5220 (email: emma.wilson@sba.gov) or [Rick Haney](mailto:richard.haney@sba.gov) at (304) 623-7449 (email: richard.haney@sba.gov). We plan to have an E-Tran training session included in our upcoming lender training schedule. We will be providing details as soon as they are available.

Issuance of SOP 50 10 5(D)

The Office of Financial Assistance announced the issuance of an updated Standard Operating Procedure (SOP) 50 10 5. This update became effective Oct. 1, 2011 and is designated SOP 50 10 5(D). This SOP version will apply to all applications received by SBA on or after Oct. 1.

As with previous editions of SOP 50 10 5, SBA has posted two versions on the [For Lenders](#) web site. The first version will show all changes as “tracked changes” to enable users to more easily identify what has been modified. The second version incorporates all of the changes into the document. A direct link to both copies can be found at: <http://www.sba.gov/about-sba-services/7481/24141>.

Please see accompanying [SBA Notice 5000-1217](#) for additional information or go to: <http://www.sba.gov/sites/default/files/5000-1217.pdf>.

Credit Alert Verification Reporting (CAIVRS)

The Credit Alert Verification Reporting System (CAIVRS) is used to determine if a loan applicant has a Federal debt that is currently in default or foreclosure or has had a claim paid by the reporting agency within the last three years.

Per SOP 50 10 5(D), Subpart B, Chapter 2, the following procedure was added for delegated 7(a) lenders to follow regarding CAIVRS:

“Delegated lenders are responsible for checking CAIVRS to determine if any of the individuals or businesses identified in paragraph (4) immediately above has either a Delinquent Federal Debt or a Prior Loss which would result in the Small Business Applicant being ineligible for SBA financial assistance.”

The accompanying [SBA Notice 5000-1227](#) has detailed instructions on signing up and using CAIVRS or go to: <http://www.sba.gov/sites/default/files/5000-1227.pdf>

Feel free to contact your SBA representative if you have any questions.

The Base Rates as of November 2011 are:

Wall Street Journal Prime Rate: 3.25%

SBA Peg Rate: 3.125%

LIBOR (1 month) + 3%: 3.25%

Maximum Fixed Interest Rate:

<http://www.tinyurl.com/Max7aFixedRates>

7(a) and 504 Fees for FY 2012

Each year SBA reviews the fees payable to SBA by 7(a) participating lenders, certified development companies (CDCs), and borrowers to determine if they are sufficient to cover the estimated costs of the 7(a) and 504 loan programs.

7(a) Loan Program – No changes from FY 2011

1. The “on-going servicing fee” due from the Lender remains at .55 percent (55 basis points) of the guaranteed portion of the outstanding balance on the 7(a) loan.
2. The upfront “guaranty fee” payable to SBA depends on the amount of the loan, but also remains unchanged from FY 2011. A chart for these fees can be found on page 161 of [SOP 50 10 5\(D\)](#).

504 Loan Program

1. The “Annual Fee” paid by borrowers on an ongoing basis to SBA will increase from 0.749 percent to 0.9375 percent (93.75 basis points) of the outstanding balance of the 504 loan.
2. The one-time guaranty fee that SBA is authorized to charge will increase from zero to .50 percent (50 basis points).
3. In addition to the “Annual Fee” mentioned above, for loans made under the Small Business Jobs Act 504 Debt Refinancing Program, borrowers will pay a supplemental fee of an ongoing basis to SBA of 0.1655 percent, for a total “Annual Fee” of 1.103 percent (110.3 basis points). A complete list of 504 fees can be found on page 344 of [SOP 50 10 5\(D\)](#).

Franchise Registry Update

Before submitting a loan request to SBA for a franchise, lenders are required to determine whether or not the franchise is eligible for SBA financing by checking the Franchise Registry at www.franchiseregistry.com.

The Franchise Registry provides lenders with private access to the SBA pre-approved agreements, addenda, and additional risk underwriting documentation on franchise systems. Due to recent changes, lenders are now required to register and establish both a username and password before using the [Franchise Registry](#) site.

If you have not yet registered, visit www.franchiseregistry.com and start the process.

For more information on eligibility for franchises, visit page 95 of [SOP 50 10 5\(D\)](#) or contact your SBA representative.

Updated 7(a) 10-Tab Guaranty Purchase Package

The National Guaranty Purchase Center (NGPC) in Herndon updated the 7(a) Guaranty Purchase 10-tab Package as well as the Care & Preservation of Collateral tabs. Both of these documents are required when submitting a loan to SBA for guaranty purchase.

The forms may be accessed through the website www.sba.gov/for-lenders. The website is consistently updated with revised forms. The 10-tab purchase package assists lenders in organizing the information needed for SBA to approve the guaranty purchase of a defaulted loan.

Please remember, the WV District Office can assist lenders with putting together the purchase package, including the Care & Preservation of Collateral Tabs. SBA has a 97% approval rate for payment of the full or partial guaranty.

Lenders on the Move

Congratulations to **United Bank, First Sentry Bank, and First National Bank** for renewing their SBAExpress and Patriot Express status.

Advantages for becoming a SBAExpress lender: 1) Low documentation/streamlined processing; 2) 1 to 3 day guaranteed processing time; 3) 50% Guarantee; 4) Maximum Loan Guarantee - \$350,000.

Contact your SBA representative for information on becoming an Express lender.

Final FY 2011 Lender Ranking

	Lender Name	\$ Amount	Loans
1	Huntington Bank	\$8,805,300	72
2	BB&T	\$5,045,300	34
3	Chase	\$2,691,000	9
4	Main Street Bank	\$1,235,000	9
5	Citizens Bank of WV	\$1,324,000	7
6	Community Trust Bank, Inc.	\$4,299,000	6
7	United Bank	\$1,670,000	6
8	MVB Bank, Inc.	\$2,406,000	5
9	First State Bank	\$1,831,000	5
10	West Union Bank	\$691,700	4
11	Superior Financial Group, LLC	\$42,500	4
12	First Chatham Bank	\$5,692,000	3
13	WV CDC	\$1,736,000	2
14	Mountain Valley Bank	\$900,000	2
15	OVIDC CDC, Inc.	\$650,000	2
16	Manufacturers and Traders Trust	\$70,000	2
17	ACNB	\$3,537,000	1
18	Premier Bank	\$800,000	1
19	Square 1 Bank	\$755,200	1
20	Union Bank, Inc.	\$400,000	1
21	Live Oak Banking Company	\$400,000	1
22	Georgia Commerce Bank	\$350,000	1
23	Fidelity Bank	\$328,000	1
24	Business Carolina, Inc.	\$275,000	1
25	Community South Bank	\$248,000	1
26	First Sentry Bank	\$162,000	1
27	RBS Citizens, NA	\$150,000	1
28	First United Bank & Trust	\$120,000	1
29	Pendleton Community Bank, Inc.	\$60,000	1
30	The Citizens Savings Bank	\$31,000	1
	Totals	\$46,705,000	186