



THE LENDER'S ADVANTAGE

A Joint Publication of the Des Moines District Office and the Cedar Rapids Branch Office

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INFORMATION

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

New Year Brings New Initiatives and Great 1st Quarter

Dear Lender –

I write this as we are winding down to the few remaining days of calendar year 2010. Congratulations to you our lending partners. We not only finished our fiscal year 2010 ending September 30th with a record \$261 million in SBA lending we will have a record 1st quarter of for 2011. With just 2 days remaining we are at 250 loans totaling \$113 million.

Congress extended the authority for fee waivers and the 90% guarantee on most 7(a) loans. **Additional funding however was not provided.** In anticipation of these provisions ending, a record number of loan applications were submitted across the country by lenders the week of December 12 resulting in nearly \$1.5 billion in small business loan approvals for the week. This surge in demand has shortened the estimated time during which funding for the 90% guarantees and fee waivers will be available.

Information notice 5000-1190 was issued December 22nd and sent out as a Lender Update discussing the authority extension and the process as funding for fee waivers and higher guarantee percentages winds down.

Our processing centers have been working overtime during this holiday season to process the large volume of loan applications received during what would normally be a slower time period. Lenders with delegated authorities under PLP and Express utilizing E-Tran realized a time and funding opportunity advantage in having these authorities.

Earlier this year we sent letters of invitation to approximately 42 lenders who have the SBA loan volume and portfolio performance that may be eligible to become PLP lenders. We encourage those of you who received a letter of invitation to submit a request. If you

are unsure if your institution would qualify for PLP status please contact either our Des Moines or Cedar Rapids offices.

We also announced earlier this month (*Lender Update dated December 15, 2010*) the two new initiatives, Small Loan Advantage and Community Advantage to be launched by March 15, 2011. Community Express meanwhile will sunset April 30, 2011.

Built on what the agency refers to as its “Advantage” platform, both Small Loan Advantage and Community Advantage will offer a streamlined application process for SBA-guaranteed 7(a) loans up to \$250,000. These loans will come with the regular 7(a) government guarantee, 85 percent for loans up to \$150,000 and 75 percent for those greater than \$150,000.

With Community Advantage, the agency will expand the points of access small business owners have for getting loans by opening SBA’s 7(a) loan program to “mission-focused” financial institutions, including Community Development Financial Institutions, Certified Development Companies and non-profit microlending intermediaries.

Community Advantage will leverage the experience these institutions already have in lending to minority, women-owned and start-up companies in economically challenged markets, along with their management and technical assistance expertise, to help make their borrowers successful.

Small Loan Advantage will be available to our PLP lenders and is built on the Small Rural Lender Advantage process. Small Rural Lender Advantage will remain. Both will use the same loan application as will Community Advantage.

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Folsom Letter *(continued)*

The primary differences between the Small Loan Advantage and Small Rural lender Advantage are as follows:

- Small Loan Advantage has a maximum loan size of \$250,000. Small Rural Lender Advantage a maximum size of \$350,000
- Small Loan Advantage is open to PLP lenders only and loans must be processed through E-Tran.

A lender familiar with the Small Rural Lender Advantage process with delegate authority under PLP will experience a quick approval timeframe for Small Loan Advantage Loans through the E-Tran interface because of its built in business rules that will provide immediate feedback and eliminate screen outs.

E-Tran access for SBA lenders is almost a must for any lender with an SBA portfolio due to the number of

routine servicing actions (327 actions) that are now delegated to lenders that can be processed through its interface. If your institution does not currently have E-Tran access, please contact us and we'll be happy to assist you.

- Joe Folsom, District Director

After 21 years of service December 31st marked Deputy District Director Tom Harbison's last day with SBA. If you worked with Tom in the past, you know how much he will be missed. Please direct your calls for information and assistance that would have normally gone to Tom to the general number for the SBA office in Des Moines at (515) 284-4422 and ask to speak to a Lender Relations Specialist.

SBA Lender Activity Report for NOVEMBER

LENDER NAME	LOCATION	#	AMOUNT	LENDER NAME	LOCATION	#	AMOUNT
QUAD CITY BANK & TRUST CO.	BETTENDORF	8	\$810,000	BANKERS TRUST COMPANY	DES MOINES	1	\$1,086,000
GREAT WESTERN BANK	IOWA	6	\$5,227,000	FIRST NATIONAL BANK	SIoux CENTER	1	\$1,036,000
NORTHWEST BANK	SPENCER	6	\$673,800	BANKIOWA	CEDAR RAPIDS	1	\$600,000
IOWA BUSINESS GROWTH CO.	JOHNSTON	5	\$1,809,000	CLARKE COUNTY STATE BANK	OSCEOLA	1	\$500,000
SIouxLAND ECON. DEV. CORP.	SIoux CITY	3	\$1,086,000	AMES COMMUNITY BANK	AMES	1	\$497,500
WEST BANK	WDM	2	\$1,634,200	FREEDOM FINANCIAL BANK	WDM	1	\$425,000
FARMERS STATE BANK	WATERLOO	2	\$1,600,000	E.C.I.A. BUSINESS GROWTH, INC.	DUBUQUE	1	\$374,000
MIDWESTONE BNAK	IOWA CITY	2	\$1,436,000	THE CLINTON NATIONAL BANK	CLINTON	1	\$297,000
CEDAR RAPIDS BANK & TRUST	CEDAR RAPIDS	2	\$1,100,000	FARMERS & MCHNTS SVGS BK	MANCHESTER	1	\$240,000
BLACK HAWK ECON. DEV.	WATERLOO	2	\$385,000	FARMERS STATE BANK	MARION	1	\$235,000
CLEAR LAKE BANK & TRUST	CLEAR LAKE	2	\$301,400	HERITAGE BANK NATL ASSOC	ALTA	1	\$224,100
IOWA-NEBRASKA STATE BANK	NEBRASKA	2	\$258,600	BRIDGE COMMUNITY BANK	MOUNT VERNON	1	\$145,500
COMMUNITY 1ST CREDIT UNION	OTTUMWA	2	\$182,300	UNION BANK AND TRUST CO.	NEBRASKA	1	\$75,000
NORTHWEST BANK & TRUST CO.	DAVENPORT	2	\$55,000	COMMUNITY SAVINGS BANK	EDGEWOOD	1	\$10,000
US BANK	IOWA	2	\$35,000				

The following lenders were participant lenders in the SBA's 504 Loan Program in Iowa during the month of November

LENDER NAME	LOCATION	#	AMOUNT	LENDER NAME	LOCATION	#	AMOUNT
COMMUNITY STATE BANK	SPENCER	1	\$800,000	MIDWESTONE BANK	CEDAR FALLS	1	\$350,000
CLINTON NATIONAL BANK	COMANCHE	1	\$697,000	HILLS BANK & TRUST	HILLS	1	\$320,000
STATE BANK	SPENCER	1	\$600,000	AMERICAN TRUST & SVGS	DUBUQUE	1	\$220,000
IOWA STATE SVGS BANK	KNOXVILLE	1	\$550,000	SECURITY NATIONAL BANK	SIoux CITY	1	\$212,500
CEDAR RAPIDS BANK & TRUST	CEDAR RAPIDS	1	\$461,717	BANK IOWA	WATERLOO	1	\$124,500
FREEDOM FINANCIAL BANK	WDM	1	\$450,000				