



# THE LENDER'S ADVANTAGE

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

MARCH 2011

## INFORMATION

### On-Line Lender Toolkit

[www.sba.gov/for-lenders](http://www.sba.gov/for-lenders)

#### **Des Moines District Office**

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#### **Standard 7(a) Loan Guaranty Processing Center**

6501 Sylvan Road  
Citrus Heights, CA 95610  
Phone: (916) 735-1960  
ext. 4368  
Fax: (916) 735-1975  
or  
(916) 735-1680

OR

262 Black Gold Blvd.  
Hazard, KY 41701  
Phone: 606-436-0801  
ext. 229  
Fax: (606) 435-2400  
E-mail:  
[loanprocessing@sba.gov](mailto:loanprocessing@sba.gov)

#### **Fresno Servicing Center**

Fresno, CA  
1-800-347-0922  
202-481-0483 Fax

#### **Liquidation & Purchase Center**

Herndon, VA  
(703) 487-9283  
(202) 481-4674 Fax

#### **504 & PLP Processing Center**

6501 Sylvan Road  
Citrus Heights, CA 95610  
(916) 930-2463 or 930-2460  
(916) 930-2160 FAX

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

## Export Programs and Lifting of 504 Maturity Requirement

Dear Lender –

The fee waivers in 7(a) and 504 and higher guarantee percentages for 7(a) have been gone for almost 3 months. Though we have experienced a significant drop in lending activity since January, we will still have a record dollar volume in SBA lending for Iowa. As of March 25th we are at \$177 million in 7(a) and 504 lending. This compares to \$188.9 million for all of fiscal year 2008.

Not all of the higher guarantee percentages are gone, however. The Small Business Jobs Act provided permanent authority for higher guarantee percentages in many of our export related loan products. SBA's export financing tools include the Export Working Capital Program, International Trade Loan and Export Express guarantee programs.

**Export Express Loan Program** provides working capital and/or fixed asset financing for companies that will begin or expand exporting. It has a \$500,000 maximum with a 90% guarantee for loans of \$350,000 or less and a 75% guarantee for loans greater than \$350,000. Terms are up to 25 years for fixed assets and up to seven years for working capital. This program can be used to finance costs in anticipation of exporting such as the cost of participating in a trade mission or the establishment of a website in anticipation of attracting international customers.

**Export Working Capital Program (EWCP)** provides financing to support export orders or the export transaction cycle, from purchase order to final payment. It offers a 90% guarantee on loans up to \$5 million with a \$4.5 million maximum SBA exposure to any one borrower including affiliates.

**International Trade Loan (ITL)** program provides long-term financing to support companies that are expanding because of increased export sales or have been adversely impacted by imports and need to modernize

to meet foreign competition. It offers a 90% guarantee on loans up to \$5 million with \$4.5 million maximum SBA exposure to any one borrower including affiliates. When combined with an EWCP, the EWCP is limited to a \$4,000,000 guaranty amount with the ITL limited to the difference between the EWCP guaranty and the \$4.5 million. Terms are up to 25 years for fixed assets. Maximum working capital loan is limited to \$4 million.

What if your customer is not an exporter? *Do they provide a product or service to another domestic firm that ultimately exports the final product or service? If so, that business though indirectly exporting may be eligible to utilize these export oriented financing tools.* The key is a statement from the firm with the contract for export that the product or service being provided and to be financed will be exported.

To access these financing tools contact either John Nevell, Chicago Export Assistance Center, at (312) 353-8065 or the local SBA office at 515-284-4422 or 319-362-6405.

This week we also announced an expansion of the temporary refinance provisions under the 504 loan program. The requirement that the commercial real estate mortgage matures on or before December 31, 2012 will be lifted in a change to be published in *The Federal Register* by April 6, 2011. A notice will be issued by SBA soon.

To be eligible for the temporary 504 refinancing program, a business must have been in operation for at least two years, the debt to be refinanced must be for owner-occupied real estate and have been incurred no less than two years prior to the date of application and the proceeds used for 504-eligible business expenses, and payments on that debt must be current for the last 12 months.

-Joseph M. Folsom, District Director

## For Lenders That Have Contracted with a Lender Service Provider for SBA Loans

A “Lender Service Provider” is defined as an Agent who carries out lender functions in originating, closing, disbursing, servicing, or liquidating a specific SBA business loan or loan portfolio for compensation from the lender.

If an Agent qualifies as a “Lender Service Provider” (LSP), a formal agreement between the Agent and the lender is required and **must** be approved by SBA.

It has come to our attention that lenders are entering into these Agreements without SBA’s prior approval. **Lenders in Iowa must submit the LSP agreement to the Des Moines District Office for review and approval.**

If you have entered into an agreement with a LSP which has not been submitted to SBA and approved by SBA, it is important that you contact Linda Haus in the Des

Moines District Office at 515-284-4561 or linda.haus@sba.gov.

Additional guidance can be found in SOP 50-10 5(b), Subpart B, Paragraphs IX and X and 13 CFR 103.

Any questions regarding Lender Service Providers and LSP Agreements should be directed to Linda.

## SBA Launches On Line Lender Toolkit – Find Forms, Instructions and More

SBA has launched its new on-line Lender Toolkit, to replace the old sba.gov/banking Web site. It can be found at [www.sba.gov/for-lenders](http://www.sba.gov/for-lenders).

The online Lender Toolkit features:

- **Find a Loan Package** - Select a loan type and download the associated forms and instructions on how to complete the loan package as well as the standard boilerplates.
- **Find a Service Center** enables the lender to search for servicing center contact information based on the loan processing parameters of loan type and stage.
- **Recent Standard Operating Procedure (SOP) notices**, which display current versions of loan processing, servicing and liquidation documents along with a copy highlighting any updates.
- **Lender FAQs** provide answers to questions about the SBA’s approach on the financing and underwriting of loans .
- **Weekly Lending Report**, which provides details on lending activity for SBA loan programs, along with comparisons for FY 2009, 2010 and 2011 for the period ending that week.

## SBA Lender Activity Report for FEBRUARY

LENDER NAME	LOCATION	#	AMOUNT	LENDER NAME	LOCATION	#	AMOUNT
COMMUNITY STATE BANK	ANKENY	4	\$10,000,000	PEOPLES SAVINGS BANK	ELMA	1	\$317,700
FIRST CITIZENS NATIONAL BANK	MASON CITY	3	\$231,900	CENTRAL BANK	STORM LAKE	1	\$248,900
CEDAR RAPIDS BANK & TRUST CO.	CEDAR RAPIDS	2	\$4,785,600	FARMERS STATE BANK	MARION	1	\$200,000
FARMERS STATE BANK	WATERLOO	2	\$2,081,000	FIRST NATL BK IN FAIRFIELD	FAIRFIELD	1	\$183,700
LIBERTY NATIONAL BANK	SIoux CITY	2	\$1,000,000	IOWA STATE BANK	WAPELLO	1	\$150,000
IOWA BUSINESS GROWTH CO.	JOHNSTON	2	\$339,000	CENTRAL STATE BANK	MUSCATINE	1	\$85,000
STATE SAVINGS BANK	WEST DES MOINES	1	\$5,000,000	COMMUNITY BANK	INDIANOLA	1	\$75,000
FIRST IOWA STATE BANK	ALBIA	1	\$1,950,000	COMMUNITY BANK	MUSCATINE	1	\$62,000
GREAT WESTERN BANK	IOWA	1	\$1,540,000	FIDELITY BANK & TRUST	DUBUQUE	1	\$58,500
KERNDT BROTHERS SVGS BANK	LANSING	1	\$750,000	AMERICAN TRUST & SVGS BANK	DUBUQUE	1	\$40,000
FAIRFAX STATE SAVINGS BANK	FAIRFAX	1	\$700,000	CLEAR LAKE BK & TR CO	CLEAR LAKE	1	\$40,000
FARMERS & MCHTS SVGS BANK	MANCHESTER	1	\$585,000	GUARANTY BANK AND TRUST CO.	CEDAR RAPIDS	1	\$34,300
FREEDOM FINANCIAL BANK	WEST DES MOINES	1	\$404,400	HERITAGE BANK NATL ASSOC	HOLSTEIN	1	\$30,100
FIRST AMERICAN BANK	FORT DODGE	1	\$374,100	WELLS FARGO BANK	IOWA	1	\$15,000
LIBERTY BANK, FSB	WEST DES MOINES	1	\$331,000	PEOPLES SAVINGS BANK	ELMA	1	\$317,700

*The following lenders were participant lenders in the SBA’s 504 Loan Program in Iowa during the month of February*

LENDER NAME	LOCATION	#	AMOUNT	LENDER NAME	LOCATION	#	AMOUNT
BANKERS TRUST	DES MOINES	1	\$292,000	CRAWFORD CO. TRUST & SVNGS	DENISON	1	\$118,000