

MAY 2012

INFORMATION

On-Line Lender Toolkit

www.sba.gov/for-lenders

Des Moines District Office

210 Walnut Street, Rm. 749
Des Moines, IA 50309-2186
(515) 284-4422
(515) 284-4572 (Fax)
www.sba.gov/ia

Joseph M. Folsom
District Director
(515) 284-4026

joseph.folsom@sba.gov

Cedar Rapids Branch Office

2750 1st Ave. NE – Ste. 350
Cedar Rapids, IA 52402
(319) 362-6405
(319) 362-7861 (Fax)

Dennis Larkin
Branch Manager
(319) 362-6405 ext. 2020
G.D.Larkin@sba.gov

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

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.

SBA Issues New SOP 50 10 5 (E) Effective June 1st

SBA has announced several changes to SBA lending programs that are designed to update and improve our underwriting process and Standard operating Procedure (SOP) 50 10 5.

SOP 50 10 5(E) is being issued effective June 1, 2012. This version of the SOP contains clarifications and changes to issues that arose after the previous update became effective on October 1, 2011.

The 7(a) policy clarifications and changes include: (1) eligible uses of loan proceeds in Eligible Passive Company/Operating Company transactions; (2) the allowable charges for legal services, particularly in-house legal services; (3) the manner in which loan packagers may be compensated; (4) whether a personal Home Equity Line of Credit (HELOC) used for business purposes may be refinanced; (5) post-approval adjustments to the interest rate on a variable rate loan; (6) change of ownership situations involving stock purchases; (7) refinancing under CAPLines, particularly when an SBA-guaranteed revolving line of credit can be refinanced into a Working Capital CAPLine, and disbursement on a contract CAPLine; and (8) post-approval loan modifications.

The 504 policy clarifications and changes include: (1) the eligibility of short-term debt to be included in project costs; (2) appraisal requirements; and (3) corresponding changes concerning fees for loan packaging for consistency with Subpart B governing the 7(a) program.

Look for **SBA Information Notice 5000-1239** this week with more details on these changes. The new 50 10 5(E) can be found under the lender's tab on the SBA website at www.sba.gov.

SBA Information Notice 5000-1240 announces improvements to Small Loan Advantage (SLA) effective June, 1, 2012. Originally only available to Preferred Lender Program (PLP) lenders, SLA is expanded to all SBA participating lenders.

Revisions include:

- An increase in the maximum loan size from \$250,000 to \$350,000;

- All SLA loan applications will be credit-scored by SBA prior to loan approval (or issuance of a loan number for applications submitted by PLP lenders);
- Change to the forms used in the SBA Express and Pilot Loan Programs (SBA Forms 1919 and 1920 Parts B and C);
- All SLA loan applications will continue to be submitted electronically;
- Lenders will continue to have the option of using their own notes and guaranty forms, rather than SBA Forms 147, 148 and 148L; and
- In closing and disbursing SLA loans, lenders will follow the same closing and disbursement procedures and documentation as they use for similarly-sized non-SBA guaranteed commercial loans.

Look for **SBA Information Notice 5000-1241** which announces key changes to the Export Working Capital (EWCP), Export Express and International Trade Loan programs.

We will be sending you Information Notices 5000-1240 and 5000-1241 following Information Notice 5000-1239 as separate Lender Updates. *The SBA Office of Capital Access is providing training opportunities on the updated SOP 50 10 5(e) and the revisions to Small Loan Advantage.*

These training calls are scheduled for May 29th and May 30th at 2 pm Central time and June 5th and June 6th at 2 pm Central time. The call is open to 7(a) lenders, CDCs and SBA staff.

The direct dial is as follows:

Web conference URL:

<https://www.connectmeeting.att.com>

Meeting Number: 888-858-2144

Access Code: 4821853

We ask your patience next week (June 4-8) as our Lender Relations Specialists as well as Deputy DD Linda Haus and I will be out for training. Please address any questions you have during this time to the appropriate center or e-mail address shown on the left.

- Joseph M. Folsom, District Director

SBA Announces its 7(a) Loan Origination 10-Tab Submission Tool

The 7(a) Loan Guaranty Processing Center (LGPC) has historically accepted loan application packages via mail, fax, and FTP (SendThisFile) with no requirements for document organization. As part of its continuing effort to provide excellent customer service, the LGPC has developed a 10-Tab Submission tool to streamline the submission of all loan applications processed at the LGPC.

This new feature applies to applications submitted under Standard 7(a) (including CAPLines, Dealer Floor Plan Pilot Program, and International Trade loans), the Certified Lender Program (CLP), Small/Rural Lender Advantage (S/RLA), Small Loan Advantage (SLA) applications that cannot be submitted under the lender's delegated authority, and the Community Advantage Pilot Loan Program (CA Pilot).

Incentives for Using 10-Tab Format
SBA highly encourages use of the 10-Tabs, as it will assist SBA's lending partners in preparing complete and orderly packages for submission, reduce the number of incomplete applications, and allow for improved LGPC processing times. Lenders are not required to use the 10-Tab tool for applications submitted to the LGPC at this time; however, packages not organized using the 10-Tab format may experience longer processing times. Later this fiscal year, SBA expects to issue a notice identifying a specific date when lenders will be required to submit origination packages using the 10-Tab format.

7(a) 10-Tab Origination Submission Process

To aid in this submission process, the LGPC has developed the following 7(a) submission tools and information which can be found at:

www.sba.gov/content/standard-7a-guaranty-application-submission-instructions?form=lender

Submission Instructions and Checklist:

- 7(a) Submission Instructions and Checklist,
- Templates for Application Submission,
- Printable Submission Templates, and
- Submission Tutorial.

Training

SBA is in the process of training District Office staff on the 10-Tabs and the submission process so they can provide training to lenders. We will make an announcement on available lender training once the training of District Office staff is complete. If you have questions about the required documentation, or to request training, please contact our office.

SBA Lender Activity Report for APRIL

LENDER NAME	LOCATION	#	AMOUNT	LENDER NAME	LOCATION	#	AMOUNT
IOWA BUSINESS GROWTH CO	JOHNSTON	4	\$2,159,000	THE CLINTON NATIONAL BANK	CLINTON	1	\$341,300
CEDAR RAPIDS BANK & TRUST	CEDAR RAPIDS	3	\$1,392,000	GREAT WESTERN BANK	ALTOONA	1	\$318,000
SIouxLAND ECON. DEV. CORP.	SIoux CITY	3	\$1,002,000	BLACK HAWK ECON. DEV.	WATERLOO	1	\$205,000
NORTHWEST BANK	SPENCER	2	\$5,473,100	COMMUNITY SAVINGS BANK	EDGEWOOD	1	\$150,000
COMPASS BANK	ALABAMA	2	\$811,600	LINCOLN SAVINGS BANK	CEDAR FALLS	1	\$144,000
BANK OF THE WEST	IOWA	2	\$474,300	PINNACLE BANK	MARSHALLTOWN	1	\$130,000
COMMUNITY STATE BANK	ANKENY	2	\$470,700	DUPACO COMMUNITY CU	DUBUQUE	1	\$80,000
FIRST NATIONAL BANK	DAVENPORT	2	\$425,000	SECURITY NATIONAL BANK	SIoux CITY	1	\$53,500
FARMERS STATE BANK	MARION	2	\$182,000	IOWA TRUST AND SAVINGS BANK	CENTERVILLE	1	\$50,000
HILLS BANK AND TRUST CO.	HILLS	2	\$70,000	FIDELITY BANK & TRUST	DUBUQUE	1	\$29,800
U.S. BANK	IOWA	2	\$47,000	GATEWAY STATE BANK	CLINTON	1	\$23,000
FIRST DISTRICT DEV. CO.	SOUTH DAKOTA	1	\$721,000	GUARANTY BANK AND TRUST CO.	CEDAR RAPIDS	1	\$21,400
EXCHANGE STATE BANK	ADAIR	1	\$400,000	MIDWESTONE BANK	CONRAD	1	\$15,000
COMMUNITY BANK	INDIANOLA	1	\$350,000				

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

LENDER NAME	LOCATION	#	AMOUNT	LENDER NAME	LOCATION	#	AMOUNT
BANKERS TRUST CO.	DES MOINES	1	\$1,115,000	KINGSLEY STATE BANK	LEMARS	1	\$335,000
FAIRFAX STATE SAVINGS BAK	FAIRFAX	1	\$1,106,500	VALLEY BANK	ANKENY	1	\$325,000
MINNWEST BANK SIOUX FALLS	SOUTH DAKOTA	1	\$1,000,000	LEGACY BANK	BONDURANT	1	\$254,150
MIDWESTONE BANK	IOWA CITY	1	\$653,000	VERIDIAN CREDIT UNION	WATERLOO	1	\$237,000
PREMIER BANK	DUBUQUE	1	\$350,000				