

JULY 2012

## INFORMATION

### On-Line Lender Toolkit

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

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

[joseph.folsom@sba.gov](mailto:joseph.folsom@sba.gov)

#### Cedar Rapids Branch Office

2750 1<sup>st</sup> 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](mailto: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](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.

## SBA 504 Refinancing Provisions Set to Expire in Sept.

Thanks to the efforts of you our lending partners and our Certified Development Company partners SBA 504 lending in Iowa is on a record setting pace this fiscal year. As of last week 109 loans have been approved for \$69 million. Twenty of those loans for a total of \$19.49 million were for debt refinancing and restructuring under the provisions of the Small Business Jobs Act of 2010. These temporary refinance provisions are scheduled to sunset with the last date for issuance of a loan authorization under the program of September 27, 2012.

These provisions have provided an opportunity to restructure long term fixed asset financing with some of the best interest rates we have seen in some time. The current interest rate (July) for 10 year term of 3.945% and 20 year rate of 4.662%

The program presents a great opportunity to restructure the balance sheets of businesses that have survived the recessionary environment and with improved cash flow from a debt restructure be able to capitalize on growth opportunities as we move through the economic recovery.

Changes published in the Federal Register last October provided increased opportunity and flexibility in the use of the program. Here are a few.

- Substantially all (85% or more) of the proceeds of the existing debt was used to acquire an Eligible Fixed Asset(s) and the remaining amount (15% or less) was incurred for the benefit of the small business seeking the refinancing; or if the Eligible Fixed Asset(s) was originally financed through a commercial loan (the “original loan”) that was subsequently refinanced one or more times: (A) substantially all (85% or more) of the proceeds of the original loan was used to acquire an Eligible Fixed Asset(s) and the remaining amount (15% or less) was incurred for the benefit of the small business seeking the refinancing; and (B) the existing debt is the most recent refinancing of the original loan. The

Qualified Debt must have been incurred not less than 2 years prior to the date of application. 100% of the debt to be refinanced must have been incurred for the benefit of the small business that is the applicant.

- The business may now access extra equity to finance “eligible” business expenses. This would include expenses the small business would have incurred prior to the date of the 504 loan application or expenses that will come due for inventory.
- Occupancy Requirement- If the borrower occupies 51% or more of the Project property at the time of the SBA 504 loan application, it is eligible. The borrower’s occupancy of the property at the time the building was purchased or constructed is irrelevant.
- The small business must have been in operation for not less than 2 years prior to the date of application.
- Job creation/retentions payment within 18 months of the 504 application. Eligible business expenses include salaries, rent, utilities, and
- Requirements must be met meaning 1 full-time equivalent job must exist for every \$65,000 of SBA Debenture or if the applicant does not meet the job criteria, but the CDC’s portfolio is within this limit (\$65,000/job) a community development or public policy goal must be fulfilled.

Once again, the SBA 504 Loan Authorization for a debt refinancing project **must be issued by SBA on or before September 27, 2012.** Consider this short term opportunity to restructure the balance sheets of viable small businesses in need of improved cash flow. For questions or more information, contact our offices or one of our Certified Development Companies.

- Joseph M. Folsom, District Director

## Franchise Training for Lenders with FRANdata and SBA – August 8th

The SBA office in Minnesota is inviting lenders in Iowa to participate in a Franchising webinar on **Wednesday, August 8<sup>th</sup>, from 10 a.m. – 11:30 a.m. CDT.**

Join us to obtain a thorough understanding of franchising from a lender perspective. Steve Olear, SBA District Counsel, Los Angeles District Office, will discuss some of the myths in the marketplace about what lenders should be doing. Edith Wiseman, VP Client Solutions at FRANdata will discuss:

- **What a franchise is according to SBA**
- **How to find your borrower's franchise on the Franchise Registry**

- **How to retrieve the franchise eligibility documentation**
- **Accessing Critical Underwriting information - Bank Credit Reports and FDDs**
- **Find a franchise system that fits each individual lender's credit profile**

### INSTRUCTIONS FOR CONNECTING TO THE WEBINAR

You may join the event 15 minutes prior to the scheduled start by clicking <http://emsp.intellor.com/login/410965>. After you've connected your computer, audio connection instructions will be presented.

If you need technical support or additional information regarding our events, please visit our portal at <http://emsp.intellor.com/portal/sbaevents>.

If you are unable to join the web conference from a computer, you can find audio only instructions at <http://events.uc.att.com/events/integrate/PhoneAccessPage/OCCSAccessNumbers.asp?ExEventID=410965>

If you have any questions, please contact Twila Kennedy, Lender Relation Specialist - Minnesota District Office, at 612.370.2300 or [twila.kennedy@sba.gov](mailto:twila.kennedy@sba.gov).

## SBA Lender Activity Report for JUNE

LENDER NAME	LOCATION	#	AMOUNT	LENDER NAME	LOCATION	#	AMOUNT
IOWA BUSINESS GROWTH CO.	JOHNSTON	8	\$3,589,000	FRONTIER FINAN PARTNERS INC.	KANSAS	1	\$791,000
SIUXLAND ECON. DEV. CORP.	SIUX CITY	6	\$5,399,000	DAKOTA BUSINESS FINANCE	SIUX FALLS	1	\$741,000
GREAT WESTERN BANK	IOWA	5	\$4,696,300	NORTHWEST BANK	SPENCER	1	\$500,000
HILLS BANK AND TRUST CO.	HILLS	5	\$564,200	COMMUNITY 1ST CU	OTTUMWA	1	\$462,000
BLACK HAWK ECON. DEV.	WATERLOO	3	\$1,591,000	CORP. FOR ECON. DEV.	DES MOINES	1	\$452,000
WELLS FARGO BANK NA	IOWA	3	\$490,200	MAQUOKETA STATE BANK	MAQUOKETA	1	\$415,000
PEOPLES SAVINGS BANK	WELLSBURG	2	\$4,000,000	BANKERS TRUST COMPANY	CEDAR RAPIDS	1	\$300,000
IOWA STATE BANK	HULL	2	\$1,275,000	E.C.I.A. BUSINESS GROWTH, INC.	DUBUQUE	1	\$289,000
FIRST NEWTON NATIONAL BANK	NEWTON	2	\$1,250,000	WEST SUBURBAN BANK	SAINT CHARLES	1	\$274,100
FARMERS STATE BANK	WATERLOO	2	\$1,216,000	HEARTLAND BANK	SOMERS	1	\$215,000
U.S. BANK	IOWA	2	\$785,500	GATEWAY STATE BANK	CLINTON	1	\$195,000
COMMUNITY BANK	MUSCATINE	2	\$85,500	FREEDOM FINANCIAL BANK	WEST DSM	1	\$150,000
CEDAR RAPIDS BK & TR CO	CEDAR RAPIDS	1	\$2,850,000	UNION STATE BANK	WINTERSSET	1	\$113,200
LEIGHTON STATE BANK	PELLA	1	\$2,100,000	FIRST NATIONAL BANK	WAVERLY	1	\$105,000
SECURITY SAVINGS BANK	LARCHWOOD	1	\$1,446,800	AMERICAN NATIONAL BANK	NEBRASKA	1	\$101,600
SOUTH STORY BANK & TRUST	SLATER	1	\$1,000,000	CITY STATE BANK	NORWALK	1	\$34,500

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

LENDER NAME	LOCATION	#	AMOUNT	LENDER NAME	LOCATION	#	AMOUNT
TWO RIVERS BANK & TRUST	CORALVILLE	2	\$2,479,000	MUTUAL OF OMAHA BANK	NEBRASKA	1	\$545,000
FIRST AMERICAN BANK	FORT DODGE	2	\$1,350,000	NORTHWEST BANK	SPENCER	1	\$507,222
BANK IOWA	WEST DSM	2	\$1,200,000	IOWA TRUST & SVGS BANK	EMMETSBURG	1	\$494,500
BANKERS TRUST CO.	CEDAR RAPIDS	2	\$831,625	FIRST FEDERAL SVGS BANK	WEST DSM	1	\$400,650
VERDIAN CREDIT UNION	WEST DSM	1	\$2,100,000	PEOPLES SAVINGS BANK	INDIANOLA	1	\$350,000
NORTHWOODS STATE BANK	MASON CITY	1	\$1,100,385	PREMIER BANK	DUBUQUE	1	\$349,182
INTRUST BANK	KANSAS	1	\$1,097,000	COMMUNITY BANK	INDIANOLA	1	\$160,000
MINNWEST BANK	SOUTH DAKOTA	1	\$1,027,925	FIDELITY BANK & TRUST	OELWEIN	1	\$110,000
GREAT WESTERN BANK	ALTOONA	1	\$730,000				