

# THE LENDER'S ADVANTAGE

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## SBA ADJUSTS MONETARY BASED SIZE STANDARDS FOR INFLATION

WASHINGTON –The U.S. Small Business Administration (SBA) issued an interim final rule that will adjust monetary based small business size standards (i.e., receipts, assets, net worth and income) for inflation to allow more small businesses to become eligible for SBA's financial and federal government procurement assistance programs. The interim final rule was published in the Federal Register today.

SBA is adjusting all industry specific monetary based size standards to reflect the inflation that has occurred since the last adjustment for inflation in 2008. These adjustments are in addition to the recent revisions made to the small business size standards as a result of the SBA's comprehensive size standards review mandated by the Small Business Jobs Act of 2010.

SBA is also adjusting its program specific monetary size standards with the exception of the new alternative size standard based on tangible net worth and net income that applies to SBA's 7(a) and 504 loan programs. This alternative standard was established under the Small Business Jobs Act and will remain in effect until the SBA establishes a permanent alternative size standard for these programs.

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## LENDER RANKINGS BY NUMBER OF LOANS OCTOBER 1, 2013 THROUGH JUNE 30, 2014

### LRGV/CCBO Top 10 Volume 7(a) Lenders

1. BBVA Compass Bank	46	\$4,733,700
2. Lone Star National Bank	11	\$2,758,000
3. JP Morgan Chase Bank	10	\$1,191,200
4. First Community Bank-CC	6	\$3,510,000
5. Wells Fargo	5	\$ 400,800
6. Security Service Federal Credit Union	4	\$ 495,000
7. Frost Bank	3	\$ 502,000
8. Elsa State Bank & Trust	2	\$ 357,000
9. American Bank, NA	2	\$ 50,000
10. Western Commerce Bank	1	\$4,139,700

### LRGV/CCBO Top 5 Volume CDC's

1. Capital Certified Development Corp.	7	\$2,514,000
2. Texas Cert. Development Co., Inc.	3	\$1,949,000
3. Brownsville Local Development Co., Inc.	2	\$1,496,000
4. Accion	1	\$ 620,000
5. Greater Texas Certified Development Co.	1	\$ 445,000

### \*LRGV/CCBO Top 5 Volume Third Party 504 Lenders

1. Kleberg First National Bank of Kingsville	4	\$1,218,500
2. American Bank, N.A.	3	\$3,477,050
3. International Bank of Commerce	1	\$1,284,000
3. Prosperity Bank	1	\$ 899,000
4. Texas National Bank	1	\$ 750,616

Volume:

**109 Loans**

Approved for:

**\$31,732,800**

\*Additional

Supported Dollars:

**\$9,496,154**

\*3rd party portion of 504 loans

## Continued from Page 1 (SBA Adjusts)

The interim final rule also clarifies that the size standard exception for “Leasing of Building Space to Federal Government by Owners” under footnote 9 in SBA’s table of size standards applies to all industries in North American Industry Classification System (NAICS) Industry Group 5311, Lessors of Real Estate.

These changes are effective July 14, 2014. SBA estimates that more than 8,400 additional

businesses will gain small business status under the adjusted size standards and become eligible for SBA’s financial and federal government procurement programs. These changes can also possibly lead to more than \$150 million to \$200 million in additional federal contracts awarded to small businesses and 80 additional loans totaling about \$30 million.

The public may submit comments on this interim final rule to: [www.regulations.gov](http://www.regulations.gov), identified by the following RIN number: (RIN 3245-AG60).

An SBA-issued White Paper entitled, “Size Standards Methodology,” which explains how SBA establishes, reviews and modifies its receipts-based and employee-based small business size standards, can be

viewed at <http://www.sba.gov/size>.

For more information about SBA’s revisions to its small business size standards for various industry sectors, click on “What’s New with Size Standards” on SBA’s Web site at <http://www.sba.gov/size>.

## SBA INFORMATION NOTICES

### SOP 50 10 5(F) update—7(a) Loan Program Credit Standards

According to [SBA Informational Notice 5000-1314](#), the U.S. Small Business Administration (SBA) announced revisions to Standard Operating Procedure (SOP) 50 10 5(F) applicable to the credit standards for 7(a) Small Loans (except SBA Express and Export Express) and related requirements. SBA is reducing duplicative requirements for 7(a) Small Loans in the continuing effort to streamline and reduce costs of delivery for SBA’s 7(a) loan program.

The requirements for credit underwriting for these loans are being clarified to increase utilization of the SBA credit score. This is a credit score that combines business and consumer data and is obtained through SBA’s E-tran system. The SOP revisions also simplify related lender submissions and reduce repetitive requirements.

These revisions will apply to all applications received by SBA on or after July 1, 2014. The updated SOP, reflecting the changes, will be made available on SBA’s website at [www.sba.gov](http://www.sba.gov). All users are encouraged to thoroughly review the updated SOP prior to the effective date.

### SBA Approval of Recoverable Expenses on 7(a) Loans

On April 7, 2014, SBA issued [SBA Information Notice 5000-1311](#), “SBA Approval of Recoverable Expenses on 7(a) Loans.”

This notice modifies SBA [Standard Operating Procedure 50-57](#), (7(a) Loan Servicing and Liquidation), and modifies the time period when lenders may submit requests for approval of Recoverable Expenses, including those deducted from recoveries, on 7(a) Loans.

Effective with the date of this notice, such requests may only be submitted:

1. With the Lender’s Purchase Package, or
2. With the Lender’s Wrap-up Report.

## LENDER TRAINING—AVAILABLE UPON REQUEST

- |  |                                   |   |   |
|--|-----------------------------------|---|---|
| 1. Introduction to SBA Lending – The 7(a) Loan Program | Contract, Seasonal, and Builder’s | Working Capital Program, and Export Express | on SBA Loans via 1502 Reports                                   |
| 2. Small Loan Advantage and E-Tran                     | 4. SBAExpress                     | 7. 504 Loan Program                         | 10. Servicing, Liquidation and Purchase Procedures of SBA Loans |
| 3. Caplines: Working Capital,                          | 5. 10 Tab Submission              | 8. Closing of SBA Loans                     |   |
|  | 6. International Trade, Export    | 9. Reporting Requirements                   |   |

For lender training in the Rio Grande Valley contact Maria Perez, Lender Relations Specialist at [maria.perez@sba.gov](mailto:maria.perez@sba.gov) or for the training in the South Coastal Bend counties contact Rick Sturtevant, Lender Relations Specialist at [rick.sturtevant@sba.gov](mailto:rick.sturtevant@sba.gov)