

November 2012

Lower Rio Grande Valley District

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Regional Administrator
Region VI

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Lower Rio Grande Valley District Office

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Corpus Christi Branch

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Fax: 361-879-0764

Corpus Christi Branch Office

Technical Assistance

SBDC:

UT Pan Am

Tele: 956-665-7535
www.utpa.edu/sbdc

Del Mar College

Tele: 361-698-1021
www.delmar.edu/sbdc

UTB IIC

Tele: 956-882-4119
www.utb.edu/iic

SCORE

Harlingen

956-427-8623
www.rgvscore.org

SCORE Corpus Christi

361-879-0017, x305
www.score-corpus-christi.org

Women-WBC

Tele: 956-380-2800
www.wbc-rgv.org

Veterans-VBOC

Tele: 956-665-7547
<http://ea.panam.edu/vboc>

Procurement/Contracting

Tele: 956-665-7535
www.utpa.edu/ptac
Tele: 361-698-1025
www.delmar.edu/sbdc/ptac.html

Newsletter Contact:

Maria Perez
maria.perez@sba.gov

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

Lender Rankings – Fiscal Year 2013 October 1, 2012 through October 31, 2012

LRGV/CCBO Top 10 Volume 7(a) Lenders

1. BBVA Compass Bank	4	\$ 410,000
2. JP Morgan Chase Bank	2	\$ 140,000
3. Capital One, N.A.	2	\$ 60,000
4. American Bank, N.A.	1	\$ 4,000,000
5. First Community Bank-CC	1	\$ 715,000
6. Wells Fargo Bank	1	\$ 270,000
7. Elsa State Bank & Trust Co.	1	\$ 30,000

LRGV/CCBO Top Volume CDC's

None

LRGV/CCBO Top Volume Third Party 504 Lenders

None

Year to Date

*Loan &
Dollar
Volume:
12 Loans
Approved for
\$5,625,000*

SBA CAPLine Program

Featuring “Seasonal CAPLines”

Lenders take note! ➡ This is the fourth and last subprogram under the Capline Program series. “CAPLine” is an SBA 7(a) guaranty program to finance all costs (excluding profit).

To be eligible for a Seasonal CAPLine, the applicant must qualify under standard 7(a) requirements and: a) Have been in operation for a least 12 calendar months; and b) Be able to demonstrate a definite pattern of seasonal activity.

Key Features include:

- Maximum line amount: \$5 million
- Regular SBA guaranty 75 – 85 percentages apply
- Maximum maturity up to 10 years.
- Can be disbursed with or without a BBC
- Extraordinary lender servicing fees permitted
- Can be processed regular 7(a) or PLP

Use of Proceeds:

- Seasonal CAPLines:
 - Borrowers must use the loan proceeds solely to finance the seasonal increases of accounts receivable and inventory (or in some cases associated increased). Funds must not be used to maintain activity during the slow periods of the business’s cycle.

★ **Please refer to SOP for specific details.**

Other details in a “Nutshell”

Collateral:

- Seasonal CAPLines:
 - First lien on seasonal Inventory and Receivables.

Disbursement and Repayment:

- Seasonal CAPLines:
 - 1) Disbursements from the loan are made continually during the seasonal build-up period when the cash requirement for labor, materials, and support of accounts receivables exceeds actual cash receipts. The final disbursement of any Seasonal loan should be made in time for the funds to be utilized in the business and converted to cash which can be used to pay off the loan balance at the commencement of a 30 day clean up period or maturity.
 - 2) Principal repayments on the loan must occur as soon as the cash from the seasonal sales has been received by the borrower. Interest should be paid monthly.
 - 3) Lender may use Borrower Base Certificates to monitor the borrower’s seasonal activity. If the lender does so, the Borrower Base Certificates must be submitted by the borrower to the lender no less frequently than monthly.

Closing/Disbursement:

- On all CAPLines lender has the option of using its own note and guaranty agreements rather than SBA’s versions (SBA Forms 147, 148 and 148L).
- Prior to disbursement of each individual project, the line must be recorded and position verified.
 - ★ **Please refer to SOP for specific details.**

Application:

- Non-delegated: standard 7(a) application forms submitted to the LGPC.
- Delegated: PLP lenders will use SBA Forms 1919 and 1920 (SBA Express forms) as well as their own documents, including the Lender’s Credit Memorandum rather than the standard 7(a) application forms (which are used for other PLP loans). E-tran submission for SBA approval is required.

★ For further detailed information on this specific subprogram of CapLine, refer to SOP 50 10 5(E) at [Forms, Notices, & SOPs](#) or you may contact **Maria Perez** via e-mail maria.perez@sba.gov or by phone (956) 427-8533 ext. 242.



SAVE the DATE
Open House
and
Lender Appreciation Day
December 4th – Harlingen
December 13th – Corpus Christi

SBA Lender Training Available Upon Request:

1. Introduction to SBA Lending – The 7(a) Loan Program
2. Small/Rural Lender’s Advantage Loan Program – designed to encourage small community/rural lenders to partner with SBA by simplifying and streamlining the Agency’s application process and procedures, particularly for small SBA loans. This program is for lenders that have no more than 20 SBA loans (averaged in last 3 years).
3. Small Loan Advantage
4. 504 Loan Program
5. Closing of SBA Loans
6. Reporting Requirements on SBA Loans via 1502 Reports
7. Servicing, Liquidation and Purchase Procedures of SBA Loans

Please contact Maria G. Perez at 956-427-8533, x242.

SBA UPDATES

To find the latest SBA forms, notices and SOP’s go to:

Forms, Notices, & SOPs

For the Maximum Allowable Fixed Rate for 7(a) loans, go to:

Maximum Interest Allowable Info

To receive upcoming training events and news for our local area go to: [Lower Rio Grande Valley District Homepage](#)

Scroll down to **NEWS** and click on subscribe button.
