

## November 2010

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<http://www.sba.gov/ny/syracuse>

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

*Comments regarding the newsletter are always welcome.*

Contact Virginia Smith at  
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## Increased 7(a), 504 and Microloan Lending Limits

On September 27, 2010, President Obama signed the Small Business Jobs Act of 2010.

### 7(a) Loan Program

The Small Business Jobs Act increased the overall 7(a) loan limit from \$2 million to \$5 million. In addition, the act makes changes to several 7(a) sub-programs. Some of the changes are permanent and others are temporary. [Notice 5000-1182](#) provides a description of the changes along with a chart to explain how these changes affect SBA 7(a) programs.

### 504 Loan Program

The Small Business Jobs Act makes significant changes to the amounts that a small business may borrow through the 504 loan program, increasing the 504 loan limit from \$2 million to \$5 million or \$5.5 million. [Notice 5000-1183](#) provides a description of the changes along with a chart to explain how these changes affect SBA 504 programs.

### Microloan Program

The maximum amount for which a microloan may be approved by a microloan intermediary is now \$50,000 (an increase from \$35,000). As a result:

- The maximum amount of a multi-party financing that includes a microloan may now be up to \$150,000 (an increase from \$105,000). The microloan is still limited to 1/3 of the financing under such an arrangement.

The maximum outstanding amount that a single intermediary may owe the SBA under the Microloan Program—as a result of multiple loans—has been increased to \$5 million (an increase from \$3.5 million). Note that the maximum amount for an individual SBA loan to an intermediary remains \$750,000. [Notice 5000-1184](#) provides additional detail.

Please direct any questions to your local Syracuse District Office Representative.

## Loan Agent Information Submission

Many lenders utilize loan agents as a means of generating SBA loans and pay the loan agents a fee for their services. SBA believes it is prudent to ascertain whether the performance of loans generated by loan agents is different from that of loans generated through a lender's internal lending channels. Accordingly, [Notice 5000-1177](#) announces a new process for SBA to identify loans generated through loan agents, e.g., packager, broker, and referral agent; and compile data on loan agents into a centralized database.

SBA currently requires 7(a) loan applicants to disclose loan agents' names, business addresses, the services the loan agents provided in a 7(a) loan transaction, and the related fees rendered for their services. This information is currently disclosed on the Fee Disclosure Form and Compensation Agreement, SBA Form 159, prepared for each loan involving payment for loan agent services and is maintained in the lenders' files.

Beginning with 7(a) loans approved on or after December 1, 2010, SBA, through Colson, is requiring lenders to submit an SBA Form 159 7(a) on loans that involve payment of fees to a loan agent(s). This submission is only required once at the time of initial loan disbursement and should be submitted in conjunction with a lender's 1502 report for the month.

The information may be submitted to Colson either by facsimile or by electronic document imaging utilizing either pdf or tif format. Lenders may either fax the document to Colson at 718-315-5170 or e-mail the pdf/tif file to [Form159@colsonservices.com](mailto:Form159@colsonservices.com). Submission of the information by overnight mail and postal service delivery is discouraged. Lenders are required to retain an original signature version of the form in their files for compliance review purposes.

The new process will be incorporated into the next edition the SBA Standard Operating Procedures 50-10 5.

## Schedule of Payment Due Dates

Paragraph 6 of SBA Form 1086, states that payments to SBA for the on-going monthly servicing fee are due at the Fiscal and Transfer Agent (FTA) on the third **calendar** day of the month, or the next business day if the third is not a business day. The SBA allows a grace period of two business days after the due date. If FTA receives a regularly scheduled payment after the expiration of the grace period, a Late Penalty is assessed (subject to a maximum of \$5,000.00). Paragraph 6(c) of SBA Form 1086 describes the components of the Late Penalty. Lenders are billed for Late Penalties at the end of each month. Late Penalties are due to Colson (FTA) with the Lender's next monthly remittance. Form 1086 may be found at [www.sba.gov/sbaforms/sba1086.pdf](http://www.sba.gov/sbaforms/sba1086.pdf)

Below is a schedule of **final** due dates, which includes the grace period of two business days for regularly scheduled payments. Payments received after the final due date will be subject to the Late Penalty.

### 2011

<b>JANUARY</b>	<b>5</b>
<b>FEBRUARY</b>	<b>7</b>
<b>MARCH</b>	<b>7</b>
<b>APRIL</b>	<b>6</b>
<b>MAY</b>	<b>5</b>
<b>JUNE</b>	<b>7</b>
<b>JULY</b>	<b>7</b>
<b>AUGUST</b>	<b>5</b>
<b>SEPTEMBER</b>	<b>8</b>
<b>OCTOBER</b>	<b>5</b>
<b>NOVEMBER</b>	<b>7</b>
<b>DECEMBER</b>	<b>7</b>

Questions regarding this notice may be directed to Jihoon Kim at 202-205-6024. Questions concerning specific Late Penalties that have been charged to lenders should be directed to Larry Packer of Colson Services at 718-315-5102 or e-mail to [latepenalty@colsonservices.com](mailto:latepenalty@colsonservices.com).

### Small Business Week Nominations

As part of National Small Business Week, SBA recognizes the special impact made by outstanding entrepreneurs and small business owners.

Please consider nominating a small business that you feel deserves special recognition. Nomination guidelines and applications may be found at <http://www.sba.gov/nominationsguidelines/index.html>

Questions may be directed to Cathy Pokines at 315-471-9393 ext 241 or via email to [cathy.pokines@sba.gov](mailto:cathy.pokines@sba.gov)

### SOP 50-51 3 7(a) and 504 Liquidation

SBA announces the issuance of a complete revision of Standard Operating Procedure (SOP) 50 51 designated as SOP 50 51 3 and effective on November 15, 2010.

This SOP details SBA's liquidation policies and procedures pertaining to 7(a) and 504 loans. Changes contained in the revised version take into account that SBA's liquidation regulations and policy have been substantially modified over the years.

Additional details will follow. Please contact your local Syracuse District Office representative with questions.

**Syracuse SBA District - YTD FY 11 by County**  
10/1/10-10/31/10

	504 Approvals		7A Approvals		Total 504 and 7(a) Approvals	
ALBANY			12	\$1,261,500	12	\$1,261,500
BROOME	1	\$271,000	8	\$2,881,000	9	\$3,152,000
CAYUGA			3	\$506,000	3	\$506,000
CHEMUNG			3	\$195,000	3	\$195,000
CHENANGO			2	\$165,000	2	\$165,000
CLINTON						
COLUMBIA	2	\$429,000			2	\$429,000
CORTLAND			2	\$297,000	2	\$297,000
DELAWARE						
ESSEX						
FRANKLIN			2	\$194,500	2	\$194,500
FULTON						
GREENE						
HAMILTON			1	\$150,000	1	\$150,000
HERKIMER			1	\$25,000	1	\$25,000
JEFFERSON			3	\$150,000	3	\$150,000
LEWIS						
MADISON						
MONTGOMERY						
ONEIDA			9	\$922,200	9	\$922,200
ONONDAGA	1	\$250,000	6	\$2,481,000	7	\$2,731,000
OSWEGO			1	\$45,000	1	\$45,000
OTSEGO						
RENSSELAER			3	\$80,000	3	\$80,000
SAINT LAWRENCE						
SARATOGA	2	\$692,000	8	\$880,000	10	\$1,572,000
SCHENECTADY	1	\$451,000	2	\$300,000	3	\$751,000
SCHOHARIE			1	\$204,000	1	\$204,000
SCHUYLER			2	\$372,000	2	\$372,000
STEUBEN			7	\$3,445,000	7	\$3,445,000
TIOGA						
TOMPKINS			3	\$519,000	3	\$519,000
WARREN			3	\$94,000	3	\$94,000
WASHINGTON						
<b>Grand Total</b>	<b>7</b>	<b>\$2,093,000</b>	<b>82</b>	<b>\$15,167,200</b>	<b>89</b>	<b>\$17,260,200</b>

## Syracuse SBA District Loan Approvals - YTD FY 11 (10/1/10 - 10/31/10)

*by number of loans*

### SBA 7(a) Loan Approvals

M&T Bank	17	\$1,497,000
New York Bus. Dev. Corp.	10	\$3,231,000
Five Star Bank	8	\$3,510,000
Adirondack Trust Co.	5	\$324,000
Adirondack Bank	5	\$254,000
KeyBank	5	\$195,000
Alliance Bank	4	\$528,200
NBT Bank	4	\$275,000
Berkshire Bank	3	\$311,500
Tioga State Bank	2	\$2,130,000
Tompkins Trust Co.	2	\$400,000
Oneida Savings Bank	2	\$335,000
Community Bank	2	\$194,500
Corning FCU	2	\$145,000
Chemung Canal Trust Co.	2	\$90,000
City National Bank	1	\$320,000
Capital Source Bank	1	\$317,000
First Niagara Bank	1	\$310,000
USNY Bank	1	\$216,000
Bank of Bennington	1	\$204,000
Lyons National Bank	1	\$160,000
Saratoga National Bank	1	\$150,000
Citizens Bank	1	\$40,000
Ballston Spa National Bank	1	\$30,000
<b>Total 7(a) Loan Approvals</b>	<b>82</b>	<b>\$15,167,200</b>

### 504 Loan Approvals

Empire State Cert. Dev. Corp.	6	\$1,843,000
Greater Syracuse Bus. Dev. Corp.	1	\$250,000
<b>Total 504 Loan Approvals</b>	<b>7</b>	<b>\$2,093,000</b>

**Total 7(a), ARC & 504 Loan Approvals 89 \$17,260,200**

### 504 Third Party Lenders

First Niagara	2	\$1,455,000
Pioneer Savings Bank	1	\$462,500
The National Union Bank of Kinderhook	1	\$390,000
M&T Bank	1	\$332,500
Solvay Bank	1	\$328,500
The Bank of Greene County	1	\$124,950
<b>Total Third Party Loan Approvals</b>	<b>7</b>	<b>\$3,093,450</b>

**Syracuse SBA District Loan Approvals - YTD FY 11 (10/1/10 - 10/31/10)**

*by dollar amount*

**SBA 7(a) Loan Approvals**

Five Star Bank	8	\$3,510,000
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Bank of Bennington	1	\$204,000
KeyBank	5	\$195,000
Community Bank	2	\$194,500
Lyons National Bank	1	\$160,000
Saratoga National Bank	1	\$150,000
Corning FCU	2	\$145,000
Chemung Canal Trust Co.	2	\$90,000
Citizens Bank	1	\$40,000
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<b>Total 7(a) Loan Approvals</b>	<b>82</b>	<b>\$15,167,200</b>

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