

# Bank Notes

A Newsletter for Michigan Lenders

January 27, 2010

Issue 165

## Special Speakers Headline Lenders' Conference

The 12th Annual Michigan SBA Lenders' Conference will feature leading experts in SBA lending, including **Jane Palsgrove Butler**, NAGGL Executive Vice President for Lender Relations. Jane is the former SBA Associate Administrator in the Office of Financial Assistance, where she was responsible for administration of SBA's commercial loan programs including the 7(a) program and the 504 program. Jane will lead three workshops at the conference: the Advanced Lender Roundtable, *SBAExpress*, and Utilizing the Secondary Market.

**Vanessa Piccioni**, Director, National Guaranty Purchase Center, will be at the conference to present information on the SBA loan liquidation process and the "Ten Tabs" system. This session will explain in detail the process for guaranty purchase requests and how to avoid mistakes during the liquidation process that will impact a request to honor the SBA Guaranty.

**Michelle G. Serrano**, the Assistant Center Director for Servicing at the Fresno Commercial Loan Service Center, will be at the conference to present the

"Basics of Servicing SBA Loans." This session will explain in detail the basics of SBA's requirements, including 1502 reporting, lender's unilateral authority, notification and approval requirements, how to submit a servicing request, and more.

Look for the complete conference brochure and registration information to arrive within three weeks. Mark your calendars now for Tuesday, March 23 at the Kellogg Center in East Lansing.

## Fiscal 2010 First Quarter Lending Report

Loan program activity through the first quarter of fiscal 2010 is shown below. After the precipitous decline in SBA lending last year due to the tumultuous conditions in the credit markets, we are pleased to report a substantial "bounce-back" in SBA guaranty loans. In Michigan, our total loans have increased 80% over last year's first quarter, and our total dollars have increased by 147%! While we are very pleased with these results, more progress is required to meet the credit needs of Michigan's small businesses.

With the reinstatement of both the temporary elimination of fees to the borrower and the 90% guaranty, we anticipate continued growth in our loan programs. Legislation is pending to extend both of these provisions for the rest of the year, as well as to raise SBA's loan limits. There can be no doubt that small business is a vital component of our economy and providing credit to the small business community will be an essential part of our recovery in Michigan.

	<u>Fiscal 2009</u>	<u>Fiscal 2010</u>	<u>Change</u>
SBAExpress	117	148	27%
PLP	47	83	77%
Other 7(a) Loans	31	113	265%
<b>Total 7(a) Loans</b>	<b>195</b>	<b>344</b>	<b>76%</b>
7(a) Dollars	\$38,401,000	\$105,845,000	175%
504 Loans	28	57	104%
504 Dollars	\$14,648,000	\$25,088,000	71%
Loans to Veterans	11	17	55%
Loans to Women	20	54	170%

## Michigan Celebrates Small Business

SBA's 2010 Michigan Small Business Person of the Year and champion awards will be presented on April 29 during the sixth annual Michigan Celebrates Small Business awards dinner in Lansing. Governor Jennifer Granholm will be the keynote speaker at the premier event in Michigan to recognize the impact of small business and its critical importance to the state's economy. Efforts to grow and diversify Michigan's economy must include a strong and vibrant small business sector. For more information go to [www.michigancelebrates.biz](http://www.michigancelebrates.biz).

## Lenders Supporting the 504 Loan Program

For first quarter of fiscal 2010, under the 504 Loan Program we approved 57 loans worth over \$32 million. These loans were supported by 37 different third party lenders. The following lenders supported three or more 504 loans in the first quarter of fiscal 2010:

<i>Lender</i>	<i># of Loans</i>
Chase	7
Citizens Bank	6
Huntington National Bank	3

SBA's 504 Loan Program provides long-term, fixed rate, subordinated financing for acquisition and/or renovation of capital assets, including land, buildings, and equipment. With 504 financing, the typical financial structure consists of 10% from the borrower, 50% from the commercial lender, and 40% from the Certified Development Company. The CDC portion is provided by 100% SBA guaranteed debentures, and the **current interest rate for the 20 year debenture is 5.79%**.

For more information, please contact one of the CDCs listed in the column to the right. These organizations specialize in packaging 504 loans and will manage the entire process to ensure it goes smoothly.

### Michigan Certified Development Companies

#### Economic Development Foundation-Certified

Grand Rapids, (888) 330-1776

#### Lakeshore 504

Grand Haven, (616) 846-3153  
Holland, (616) 392-9633

#### Metropolitan Growth and Development Corporation

Southgate, (734) 362-3477

#### Michigan Certified Development Corporation

Ann Arbor, (734) 660-8187  
Cadillac, (231) 878-1302  
Grand Rapids, (616) 560-5486  
Lansing, (517) 886-6612  
Mt. Clemens, (810) 329-4340

#### Oakland County Business Finance Corporation

Waterford, (248) 858-0765

#### SEM RResource Capital

Grand Rapids, (616) 242-5153  
Livonia, (734) 464-4418

## February 4th ReadyTalk Session

The next monthly ReadyTalk session for lenders is scheduled for Thursday, February 4 at 10:00 a.m. and will cover:

- Updates on loan activity
- Upcoming Lenders' Conference
- New Ten Tabs
- Word 2007 Authorization
- Update on Pending Legislation
- General Q & A with participating lenders

ReadyTalk is a Webinar program utilizing the Internet and a conference call system. To access the system:

From your computer:

1. Logon to [www.readytalk.com](http://www.readytalk.com)
2. Login as a participant using the access code 3051501
3. Enter your name, email address, and company name as requested

From your telephone:

1. Dial 866.740.1260
2. Enter the Access Code 3051501 and press #
3. Say hello!

If this is your first ReadyTalk session, we recommend that you test your browser compatibility and network connection prior to the conference by logging onto the ReadyTalk Web site and click on the "Test your Computer" button under the login.

Please join us on February 4.

### Bank Notes Distribution

If you know someone who would like to receive future issues of Bank Notes, they will need to subscribe through SBA's Free Newsletter and Publication Subscription Center.

The process is easy. Simply go to Web page <http://web.sba.gov/list/>; scroll down and check the box entitled "Michigan Bank Notes Newsletter." Then scroll down and enter your name and e-mail address at the bottom of the page and hit the "Subscribe" button.

### "Ten Tabs" Revised

The Regular 7(a) Guaranty Purchase Package Tabs (the "Ten Tabs" package) has been revised as of January 22, 2010. Please use the latest version for all purchase requests. It is available on the SBA lender's Web site at: [www.sba.gov/idc/groups/public/documents/sba\\_program\\_office/bank\\_10\\_tab.pdf](http://www.sba.gov/idc/groups/public/documents/sba_program_office/bank_10_tab.pdf)

### Recovery Act Certifications

Lenders are reminded that there are additional documentation and certification requirements for Recovery Act loans, including SBAExpress. Information Notice 5000-1134 outlines the documentation requirements for Recovery Act loans. That notice can be found at: [www.sba.gov/aboutsba/sbaprograms/elending/notices/BANK\\_FY\\_10\\_NOTICES.html](http://www.sba.gov/aboutsba/sbaprograms/elending/notices/BANK_FY_10_NOTICES.html).

### Loan Documentation

Providing complete demographic information about loan recipients is essential to SBA. Congress, media outlets and others continually seek information about the impact of SBA's programs and how well they serve the diverse population of the small business community. Please help all of us by ensuring that all of this information is captured and reported to SBA.

### Word 2007 Version of 7(a) Authorization Coming Soon

The 2007 Word version of the Authorization is expected to be added to the lender's Web site within the next two weeks. Both the Word 2003 and Word 2007 version will be available and will have identical content. The 7(a) authorizations and wizards are located at: [http://www.sba.gov/aboutsba/sbaprograms/elending/authorizations/bank\\_Auth\\_National\\_7a.html](http://www.sba.gov/aboutsba/sbaprograms/elending/authorizations/bank_Auth_National_7a.html).

### Help us Demonstrate Your Success!

The Michigan District Office uses success stories to publicize SBA loans by highlighting small businesses to tell the story. Currently, we are seeking businesses that have received loans due to the provisions of the American Recovery and Reinvestment Act. We are also looking for long term success stories that involve firms that have been in business for three or more years and have received an SBA guaranteed loan. Success stories are an excellent way to promote the small business that is profiled and to show how the lender was able to respond to their customer's needs and help it succeed. For more information, please contact Annette Hall at [Annette.hall@sba.gov](mailto:Annette.hall@sba.gov).

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Michigan Lender's Web site  
[www.sba.gov/localresources/district/mi/mi\\_lenderspage.html](http://www.sba.gov/localresources/district/mi/mi_lenderspage.html)