



THE LENDER'S ADVANTAGE

ARC Loan Program Launched

June 2009

**Washington
Metropolitan
Area**

**District
Office
(WMADO)**

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All SBA programs and services are provided on a non-discriminatory basis.

The America's Recovery Capital (ARC) loan program is available to all 7(a) lenders as of 15 June 2009. The ARC is designed to give temporary financial relief to viable small businesses suffering immediate financial hardship. The goal is to help small businesses keep their doors open and get their cash flow back on track.

For lenders, ARC offers the following advantages:

- 100% guaranty rate
- SBA pays interest of Prime + 2
- Ability to pay down loans currently on your books

ARC terms include

- Maximum of \$35,000 per small business
- Up to a 6-month disbursement followed by a 12-month deferral of all payments by borrower, followed by a 5-year fully-amortized loan

ARC criteria include

- Proceeds must make periodic payments of principal and interest on qualified small business loans
- Small business must show positive cash flow for 1 of last 2 years and must provide quarterly cash flow projections demonstrating sufficient cash flow to meet debt (1x)

Please view the complete procedures guide at www.sba.gov.

Dealer Floor Plan Financing Begins July 1

Under this pilot program, the SBA will provide loan guarantees for lines of credit (LOCs) through its 7(a) program. LOCs for titled inventory including autos, RVs, manufactured homes, boats, and motorcycles are acceptable from \$500,000 up to \$2 million. LOCs will carry a 75% guaranty and benefit from the temporary elimination of fees on 7(a) loans as announced in Feb 2009 as part of the Recovery Act. Procedures coming soon.



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Taking Energy-Saving Steps May Result in Bigger Tax Savings

The American Recovery and Reinvestment Act (ARRA) contained a number of new or expanded tax benefits on expenditures to reduce energy use or create new energy sources.

An IRS [Fact Sheet](#) on the Energy Provisions of the ARRA provides additional details: <http://www.irs.gov/newsroom/article/0,,id=206871,00.html>

The Internal Revenue Service reminds individuals and businesses that many energy-saving steps taken this year may result in bigger tax savings next year. The IRS encourages everyone to explore whether they are eligible for any of the new energy tax provisions.

Reminder of Temporary ARRA Provisions for SBA

- Eliminated loan fees for borrowers and lenders on 504 loans
- Eliminated loan fees for borrowers on 7(a) loans
- Raised guaranty to 90% for 7(a) loans (not *SBAExpress*)
- Raised maximum surety bond program guaranty from \$2 million to \$5 million
- Implemented temporary size standard increases for some NAICS codes
- ARC loan available as of 15 June 2009
- Dealer Floor Plan Financing as of 1 July 2009

Workshops for Small Business Owners

7(a) loans Mon, June 29
6 p.m. – 7:30 p.m.
MLK Library, 901 G St NW

504 loans Tues, June 30
6 p.m. – 7:30 p.m.
MLK Library, 901 G St NW

Small Loans Wed, July 1
9:30 a.m. to 10:30 a.m.
SCORE training room, 740 15th St NW

How to Start a Business Thur, July 2
9 a.m. – 4 p.m.
SCORE training room, 740 15th St NW

Visit the WMADO calendar for information regarding fees, other classes, and registration: <http://web.sba.gov/calendar/public/index.cfm?rc=0353>.

Or call SCORE at 202.272.0390.

Small Business Awards Breakfast

Over 300 people gathered at the Hilton Alexandria Mark Center on 4 June 2009 to celebrate the 2009 winners. The Keynote Speaker was Congressman James P. Moran of Northern Virginia. Thank you to all our lenders and other guests who took time from their busy schedules to attend this event.

Lender's Quality Circle

Contact Wayne Williams at wwilliams@businessfinancegroup.org to discuss joining the Quality Circle Steering Committee or to find out about the next meeting.



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Fee Elimination for 504 Loan Results in Hiring for Virginia Firm

On Wednesday, June 10, 2009, SBA WMADO District Director Bridget Bean visited the Lindberg Group, a marketing and communications firm located in Clarendon. The company used the SBA 504 fixed-asset program to purchase and renovate new office space on North Fillmore Street. Roger Lindberg, senior partner, commented to Ms. Bean that not having to pay the fee on the 504 loan enabled him to hire an additional person for his firm.

“What a defining moment for the ARRA program,” said Ms. Bean. “The SBA 504 loan allowed the Lindberg Group to buy their own space and customize it to their needs, but the fee elimination through the ARRA also put someone in our region to work.”

Also joining Ms. Bean for the tour was Catherine Morris, Senior Vice President, from Virginia Commerce Bank, the first trust lender in the project. Ms. Morris said, “Virginia Commerce Bank prides itself in helping members of our business community grow and realize their financial dreams. We are

happy to have assisted the Lindberg Group purchase their offices in Clarendon. They are terrific new clients and our relationship has already grown. Working as a team with the Business Finance Group on the 504 loan transaction was fast, easy and the entire process more than met the client's expectations.”

“The Lindberg Group is an excellent example of how the economic stimulus bill is benefiting the small business community. They were able to save on loan fees (which have been invested in new employees) while acquiring a space ideally suited for their business. We are pleased to have Roger, Ed, and their team amongst our terrific 504 small business success stories,” noted Sally Robertson, President of the Business Finance Group.

Pictured below are Sally Robertson, Roger Lindberg, Bridget Bean, and Catherine Morris admiring the energy-saving lights in the new Lindberg Group facilities.





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Congratulations to the Top 5 Lenders in each Category

Statistics as of 1 October 2008 through 31 May 2009

All Lenders, ranked by total dollars

1. Business Finance Group	\$18,882,000
2. Branch Banking & Trust (BB&T)	9,978,900
3. Access National Bank	5,269,000
4. Sonabank NA	3,613,000
5. Chesapeake Business Finance Group	3,250,000

Community Banks: operate in smaller geographic territories

	# of Loans	\$ Amount of Loans
1. Access National Bank	11	5,269,000
2. Sonabank	10	3,613,000
3. Cardinal Bank	3	625,000
4. Howard Bank	2	400,000
5. The Business Bank	2	325,000

Regional Banks: operate throughout the entire geographic region

1. Sandy Spring Bank	7	1,475,000
2. Provident Bank of Maryland	2	315,000
3. Sovereign Bank	2	150,000
4. Chevy Chase Bank, FSB	1	275,000
5. Home Loan Investment Bank	1	232,000

National Banks: operate in multi-geographic regions

1. BB&T	48	9,978,900
2. Superior Financial Group	23	230,000
3. M&T Bank	19	1,160,000
4. SunTrust Bank	18	3,321,100
5. Innovative Bank	14	350,000

Certified Development Companies: process fixed-asset 504 loan 2nd trust loans

1. Business Finance Group	26	18,882,000
2. Chesapeake Bus. Fin. Grp.	2	3,250,000
3. Mid-Atlantic Bus. Fin. Co.	2	2,158,000

504 First Trust Lenders

1. Bank of America	4	1,709,750
2. United Bank	3	3,562,900
3. SunTrust Bank	3	3,108,500
4. Access National Bank	3	1,944,500
5. BB&T	2	1,260,000

Microlenders: non-profit community development groups providing loans up to \$35,000

1. Enterprise Dev. Grp.	19	246,563
2. Latino Econ. Dev. Corp.	6	65,000

Want to boost your lending numbers?

Call your Lender Relations Specialists today for personalized training in SBA products!