

Hawaii District Office
U.S. Small Business Administration
News Bulletin

THE LENDER'S ADVANTAGE

Issuance of SOP 50 10 5 (B) -Lender and Development Company Loan Programs—effective October 1, 2009:

Summary of key changes

1. Financing transactions involving intangible assets:
 - If a transaction includes \$500,000 or less of intangible assets, a lender may process the loan using its delegated authority.
 - If the application includes more than \$500,000 of intangible assets and the borrower or seller have contributed a total of at least 25% equity, the loan also may be processed using the lender's delegated authority. Seller take-back financing must be on full standby for a minimum of 2 years.
 - If the loan amount includes more than \$500,000 in intangible assets and the borrower or seller are not providing at least 25% equity, then the application must be sent to the Standard 7(a) Loan Guaranty Processing Center for review and approval by SBA.
2. Clarifies that any credit card debt that is going to be refinanced must be business related and provides guidance on how to document such debt.
3. Confirms the 20% improvement in cash flow requirement on refinanced debt in the 7(a) program to 10% to match the recently implemented requirement in the 504 program and clarifies that the improvement in cash flow requirement does not apply to certain types of debt allowed to be refinanced (such as long term debt structured with a balloon payment).
4. Revises the language concerning increase for Standard 7(a), CLP and PLP loans so that the Com-

mercial Loan Servicing Centers can approve requests that are for more than 20% of the loan amount or more than 18 months after loan approval. Also clarifies the language surrounding increases in SBA Express and the Pilot Loan Programs.

5. Provides guidance on documenting the lender's inability to perfect a lien on marketable securities.
6. Includes a description of a new, expedited service for income verification offered by the IRS (Notice 5000-1087).
7. Credit Elsewhere Test-the lender must substantiate factors that prevent financing from being accomplished without SBA support and retain said explanation in the loan file.

Should you have any questions, please feel free to call Jerry M. Hirata at (808) 541-2990 ext 210.

National American Recovery Capital (ARC) Loan Activity Through 09/20/09:

- Number of Loans Funded: 2,487
- Total Dollars: \$80,645,500
- Average loan size: \$32,427
- Number of Lenders: 697

Loans were made in 49 states and the District of Columbia to businesses in 490 different industries.

Lender Training at PJKK Federal Building

5th Floor Conference Room 5-208

"Lender's New to SBA Lending Qualifying the Loan Prospect"

December 16th Wednesday

9:00am-10:30am

"504 Loans"

December 16th Wednesday

10:30am-11:30am

"SBA Special Programs"

SBAExpress, Export Express, Patriot Express and Community Express

December 17th, Thursday

9:00am-11:00am

Parking at District Parking (corner of Pohukaina and Keawa –near Alu Like) \$9.00 all day—No parking at the Federal Building or Restaurant Row

Lender Training Via Web Seminar

Just call SBA and we can conduct training throughout the State whether you are in Kau, Kohala or Kilauea on Kauai! You need not leave your office or branch.

Go to www.readytalk.com ("test your computer" at the website)

Internet access code: 3095103

Telecon at: 866-740-1260

Telecon access code: 3095103

Please contact Jerry M. Hirata at (808) 541-2990 ext 210 e-mail: jerry.hirata@sba.gov as training materials will be mailed prior to the web training date.

SBA Lender and Lending Officer of the Year Awards Breakfast 2009

- ★ Wednesday, November 18, 2009
- ★ 8:00am-8:30am-Registration
- ★ 8:30am-10:30am-Program
- ★ The Plaza Club, Pioneer Plaza-20th Floor
- ★ \$20.00 per person
 - ★ Make checks payable to The Plaza Club (cashier's checks only)
- ★ **Parking will not be validated**
- ★ Call Kimberly Hite at (808) 541-2990 ext 212

