
Bank Notes

A Newsletter for Michigan Lenders

June 11, 2009

Issue 159

Implementation of new SBA loan program: America's Recovery Capital Loan Program

America's Recovery Capital Loan Program is a new temporary guaranteed-loan program authorized by the American Recovery and Reinvestment Act of 2009 (the Recovery Act). ARC loans provide small businesses access to the capital needed to drive economic recovery and to retain and create jobs.

ARC loans are deferred-payment loans of up to \$35,000 available through SBA's 7(a) participating lenders. Potential borrowers are viable, for-profit small businesses located in the United States that need short-term help to make their principal and interest payments on existing, qualifying loans. ARC loans are interest-free to the borrower, 100% guaranteed by SBA to the lender, and have no fees associated with them. SBA pays the interest to the SBA 7(a) lender making the loan. ARC loan funds are to be used for payments of principal and interest for up to six months on existing, qualifying small business loans.

Participating lenders may begin submitting ARC Loan applications to SBA on June 15, 2009. Delegated lenders are to submit their applications through e-tran unless the application is ineligible to be submitted under delegated authority. For non-delegated lenders (and for applications that are ineligible to be submitted under delegated authority), applications are to be submitted to the Standard 7(a) Loan Guaranty Processing Center. Instructions on submitting applications to LGPC are found at: www.sba.gov/aboutsba/sbaprograms/elending/lqpc.

The ARC Loan Program regulations were published in the Federal Register on June 9, 2009, and are available at the following link:
www.access.gpo.gov/su_docs/fedreg/frcont09.html

The ARC Loan Program Procedural Guide is available at:
www.sba.gov/aboutsba/sbaprograms/elending/RECOVERY_INFO_LENDERS.html

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Lender Training for ARC Loan Program

The Lender Relations Staff of the Michigan District Office will conduct Ready Talk training on the ARC Loan Program on June 17 and June 24 at 10:00 a.m. If you have any interest in this loan program, we highly recommend that you "attend" one of these sessions.

Ready Talk 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
2. Login as a participant using the access code 3051501
4. Enter your name, email address, and company name as requested

From your telephone:

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

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

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Michigan Lender's Web site
www.sba.gov/localresources/district/mi/mi_lenderspage.html

America's Recovery Capital Loan Program (cont'd)

The new borrower and lender forms for ARC loans are available at: www.sba.gov/tools/Forms/smallbusinessforms/fsforms. (Links to these forms are also provided at the ARC Loan Information for Lenders Web page.) The following is a listing of the new forms:

Borrower Form:

- **SBA Form 2315:** America's Recovery Capital Borrower Information Form (required to be completed by each proprietor, partner, officer, director, holder of 20% or more of voting stock of a corporate applicant, and any other person, including a hired manager, who has authority to speak for and commit the borrower in the management of the applicant business.)

Lender Forms:

- **SBA Form 2316 (Part A):** America's Recovery Capital Loan Guaranty Request (required to be completed for non-delegated processing)
- **SBA Form 2316 (Part B):** Lender's Supplemental Information for America's Recovery Capital Loan Guaranty Request (required to be completed by all lenders either by submitting the completed form (non-delegated processing) or by completing the form through e-tran (delegated processing))
- **SBA Form 2316 (Part C):** Eligibility Information Required for America's Recovery Capital Loan Submission (required to be completed by all lenders). The form must be submitted to SBA for non-delegated processing. For delegated processing, lenders must complete the form and place it in the borrower's loan file to be made available upon SBA's request.

The new ARC authorization will be available shortly at: www.sba.gov/aboutsba/sbaprograms/elending, then click on "Authorizations" to locate the new ARC loan authorization.

In addition, SBA has created a new Web page for participating lenders at: [www.sba.gov/aboutsba/sbaprograms/elending/RECOVERY INFO LENDERS.html](http://www.sba.gov/aboutsba/sbaprograms/elending/RECOVERY_INFO_LENDERS.html) entitled ARC Loan Information for Lenders. This Web page includes hyperlinks to the Lenders ARC Loan Fact Sheet, ARC Loan Program Procedural Guidance, and ARC Loan borrower and lender forms.

A Federal Register notice setting the interest rate on ARC Loans was published on June 10 in the Federal Register at: www.access.gpo.gov/su_docs/fedreg/frcont09.html

Lenders or potential borrowers who have questions should contact the Michigan District Office at (313) 226-6075 and ask to speak to a Lender Relations Specialist.

Lender Training

The Michigan District Office's First Thursday Lenders Training Ready Talk sessions will resume on July 2 at 10:00 a.m. This is a general update about SBA loan programs and it will be held the first Thursday of every month. Please see Page 1 for instructions on how to access Ready Talk.

2010 Michigan SBA Lenders' Conference

Don't forget to mark your Calendar! SBA's 12th Annual Michigan SBA Lenders' Conference will be held March 23, 2010 at the Kellogg Center at Michigan State University in East Lansing. Cosponsored by the Michigan Small Business and Technology Development Center, the conference will feature training sessions on a wide range of topics for a variety of bank personnel.

If you have any suggestions for this conference, please do not hesitate to call Allen Cook at (313) 226-6075, ext. 221.

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