

# SBA LENDER'S NEWSFLASH #09-11

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## **America's Recovery Act (ARC) Loans**

America's Recovery Capital (ARC) 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 for up to six months. 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. The borrower has a 12 month deferral period after disbursement before the first payment is due. Repayment will be over a five year period.

ARC Loans can be used to make payments of principal and interest on the following small business loans:

- Mortgages
- Secured and unsecured loans
- 504 first mortgages
- Capital leases
- Notes payable to vendors/suppliers/utilities
- Home equity loans used to finance business operations
- Credit cards (must prove business expenditures)
- SBA loans made or guaranteed on or after 2/17/09

Participating lenders may begin submitting ARC Loan applications to SBA on June 15, 2009. Lenders authorized to make SBA Express, Community Express, and/or Patriot Express loans are to submit their applications through E-Tran. For those not authorized to make Express loans or not signed up to use E-Tran, applications are to be submitted to the Standard 7a Loan Guaranty Processing Center (LGPC).

The new borrower and lender forms for ARC loans are available at [www.sba.gov/tools/Forms/smallbusinessforms/fsforms](http://www.sba.gov/tools/Forms/smallbusinessforms/fsforms). The following is a listing of the new forms:

- SBA Form 2315: America's Recovery Capital (ARC) Borrower Information Form
- SBA Form 2316 (Part A): America's Recovery Capital (ARC) Loan Guaranty Request (required to be completed by non-Express lenders)
- SBA Form 2316 (Part B): Lender's Supplemental Information for America's Recovery Capital (ARC) Loan Guaranty Request (required to be completed by all lenders either by submitting the completed form or by completing the form through E-Tran).
- SBA Form 2316 (Part C): Eligibility Information Required for America's Recovery Capital (ARC) Loan Submission (required to be completed by all lenders).

A future training program will be held by ReadyTalk (telephone with PowerPoint on the internet). When a date is determined, an email will be sent out to lenders so watch for details.

For more information on America's Recovery Capital (ARC) Loans, go to: [www.sba.gov/aboutsba/sbaprograms/elending/RECOVERY\\_INFO\\_LENDERS.html](http://www.sba.gov/aboutsba/sbaprograms/elending/RECOVERY_INFO_LENDERS.html). This webpage includes hyperlinks to the Lender ARC Loan Fact Sheet, ARC Loan Program Procedural Guidance, and ARC Loan borrower and lender forms. You may also check out our Nebraska SBA website at [www.sba.gov/ne](http://www.sba.gov/ne) or our national SBA website at [www.sba.gov/banking](http://www.sba.gov/banking).

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