

SBA

LENDER'S NEWSFLASH

#10-03

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Additional Funding Approved for Recovery Act

President Obama signed the U.S. Department of Defense (DOD) appropriations bill which included \$125 million to continue through Feb. 28, 2010, the enhancements made possible through the American Recovery and Reinvestment Act (ARRA) to SBA's two largest loan programs. The SBA estimates this additional funding will support \$4.5 billion in small business lending.

New approvals of loans with the higher guarantee and reduced fees made possible by ARRA have begun. Loan applications from borrowers who chose to be placed in the SBA's Recovery Loan Queue will be funded first, followed by new loan approvals beginning on or before Dec. 28.

The extension included in the DOD bill authorizes the higher guarantee levels through Feb. 28, 2010. The fee relief is authorized until this additional funding is exhausted or the end of the fiscal year, whichever comes first. As was the case in November, SBA will transition into a queue system as the funds start to wind down in order to ensure the maximum simulative effect of the programs and disbursement of funds.

For non-ARRA 7(a) or 504 loans funded during the transition period, this extension does not provide a retroactive guarantee or waived fees. Loans that were funded under non-ARRA terms cannot be canceled and resubmitted to take advantage of the ARRA extension provisions.

This extension does not affect other SBA ARRA programs, including the America's Recovery Capital (ARC) loan program or the agency's microloans. ARRA funding still remains for both of those programs.

SBA NEBRASKA SETS NEW LOAN RECORDS!

The SBA Nebraska District Office experienced a significant increase in its guaranteed loan dollar activity through the first quarter of its 2010 fiscal year (October 1 – December 31, 2009). As of December 31, loan dollar amounts in Nebraska shot up 97 percent over the same time last year to slightly more than \$47 million for SBA-backed loans. The overall number of loans in the state saw a 41 percent increase.

Seventy percent of SBA loans in Nebraska during the first quarter went to existing small businesses.

More importantly, as a direct result of SBA guaranteed small business financing throughout the state, 496 jobs are being created in the state for the first quarter.

Furthermore, the Nebraska District Office set a new record by guaranteeing the largest dollar volume of loans to business in the history of SBA's loan guarantee program. During the 12 months ending September 30th, SBA guaranteed 476 loans totaling \$118.4 million.

The number of SBA loans in Nebraska was comparable to FY 2008 loan activity, however the dollar volume increased by 12.6% and the average loan increased by \$27.5 thousand over 2008 loan average.

**SBA Nebraska wants to say "Thank You!" for your continuing support of
Nebraska's small businesses!**

****The Nebraska District Office would also like to remind you to contact us if you are having problems working with our loan center(s).**

PLEASE DO NOT WAIT!

If you have any questions or need additional guidance, please contact our office at 402-221-4691.

www.sba.gov/ne
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