



Thanks to the
Small Business
Jobs Act
you can now
***APPROVE
MORE
Small
Business
Loans!***

BUT HURRY!
The 90% guarantee
and fee relief for
your customers
will only continue
to **DEC. 31, 2010**





THE LENDER'S ADVANTAGE

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*All SBA programs and
services are provided on a
nondiscriminatory basis.*

The Small Business Jobs Act

The Small Business Jobs Act was signed by President Obama on Sept. 27, 2010. Here are some of the highlights:

- Recovery Loan Extension - \$14 billion more in lending support
- Extends Recovery loans (with 90% guaranty and fee relief) to Dec. 31, 2010. SBA Express loans are eligible for fee relief only.
- Permanently increases 7(a) and 504 loans to \$5 million (\$5.5 million for manufacturers in the 504 loan program).
- The law expands the number of small businesses eligible for SBA loans by increasing the alternate size standard to those businesses with less than \$15 million in net worth and \$5 million in average net income. This size standard will remain in effect until SBA establishes a permanent alternate size standard through rulemaking.
- The maximum amount of SBA Express loans will increase from \$350,000 to \$1,000,000 (expires 9/27/2011).
- Some small businesses will be allowed to refinance their owner-occupied commercial real estate mortgages into the 504 loan program (expires 9/27/2012).
- For 7(a) loans that are in the queue (other than SBA Express loans), SBA will approve these loans with a 90 percent guaranty in addition to fee relief as soon as funds become available (expected on or after Oct. 1, 2010). See SBA Notice 5000-1173 dated 9/29/10 for more information.
- For 504 loans that are in the queue, SBA will begin funding applications as soon as funds become available on or after Oct. 1, 2010. While these loans will be eligible for processing fee relief, they also will be subject to a higher annual fee of 0.749% as announced in SBA Notice 5000-1172 dated 9/28/10.

For more information please go to www.sba.gov/jobsact or contact Emma or Erica.

Schedule of 1502 Payment Due Dates

Below is a schedule of **FINAL** due dates for 1502 payment, which includes the grace period of two business days for regularly scheduled payments. Payments received after the final due date will be subject to the Late Penalty. See [SBA Notice 5000-1179](#) on the **For SBA Lenders** section under the Financing area of the WV SBA web site (www.sba.gov/wv) for further details.

Due dates for 2011 are: *January 5; February 7; March 7; April 6; May 5; June 7; July 7; August 5; September 8; October 5; November 7; December 7.*

The Base Rates for the month of October 2010 are:

Wall Street Journal Prime Rate:	3.25%
SBA Peg Rate:	3.25%
LIBOR (1 month) + 3%:	3.26%

Maximum Fixed Interest Rate:

www.colsonservices.com/main/news.shtml

FY 2011 7(a) and 504 Fees

Each year SBA reviews the fees payable to SBA by 7(a) participating lenders, Certified Development Companies (CDCs) and borrowers to determine if they are sufficient to cover the estimated costs of 7(a) and 504 loan programs. The fees effective Oct. 1, 2010, and for 7(a) and 504 loans approved during FY2011:

7(a) Loan Program

For 7(a) loans approved on or after Oct. 1, 2010, the on-going servicing fee due from lenders to SBA will be 0.55 percent (55 basis points) of the guaranteed portion of the outstanding balance on the 7(a) loan. This fee remains the same as FY2010.

The fee relief afforded under Section 501 of the American Recovery and Reinvestment Act of 2009 has been extended through Dec. 31, 2010. This means on all 7(a) loans approved from Oct. 1, 2010 through Dec. 31, 2010, the upfront guaranty fee payable to SBA will be eliminated for all but short-term loans of 12 months or less. All other fees in the 7(a) loan program will be the same as for FY2010.

504 Loan Program

For 504 loans approved on or after Oct. 1, 2010, the "annual fee" paid by borrowers on an ongoing basis to SBA will be increased from 0.389 percent to 0.749 percent (74.9 basis points) of the outstanding balance of the 504 loan.

The fee relief afforded by the American Recovery and Reinvestment Act of 2009 has been extended through Dec. 31, 2010. This means that on all 504 loans approved from Oct. 1, 2010 through Dec. 31, 2010 the Third Party Participation Fee and the CDC Processing Fee will be eliminated. SBA will continue to reimburse CDCs for the CDC Processing fee. All other fees in the 504 loan program will be the same as FY2010, including the one-time guaranty fee that SBA is authorized to charge (which remains at zero).

For additional information, see [SBA Notice 5000-1172](#) on the **For SBA Lenders** section under the Financing area of the WV SBA web site (www.sba.gov/wv).

Additional Closing Requirement for 7(a) Loans Receiving Higher Guaranty

There is an additional closing requirement for 7(a) loans that receive the higher guaranty that must be met, which was also required by statute for Recovery Act loans receiving the higher guaranty. Prior to first disbursement on a 7(a) loan with the increased guaranty, lenders must require that the Borrower and any Operating Company certify that they have not been determined by the Secretary of Homeland Security or the Attorney General to have engaged in a pattern or practice of hiring an alien, recruiting an alien or referring an alien for a fee for employment in the United States, knowing that the person is an unauthorized alien. This certification is in addition to the existing disclosure requirement on SBA Form 912, Statement of Personal History. (See the notice published in the Federal Register on June 8, 2009 at 74 FR 27199, 27200.)

The 7(a) Loan Authorization Boilerplate incorporates this certification for Standard 7(a), Certified Lender Program, Preferred Lender Program and Small/Rural Lender Advantage loans. **For any Pilot Loan Program loans, the lender will be responsible for adding this requirement to the loan authorization.**

Appendix D of the [7\(a\) boilerplate authorization](#) provides a sample Borrower's Certification containing the required language.

Upcoming Lender Training

We are partnering with the SBA's Richmond District Office to provide training on several SBA lending topics. The training will be offered via SBA's ReadyTalk web-based training system. All that is needed to participate are a telephone and internet access. The training schedule through November is listed below. Please click on the registration link for the appropriate topic and session.

TOPIC	DATE	TIME	REGISTRATION LINK
SOP Update	10/20	10:00 a.m.	https://cc.readytalk.com/r/ybivid2v2ofg
	10/27	10:00 a.m.	https://cc.readytalk.com/r/ep4lx2tdq1hz
SBA Program Enhancements due to the Jobs Act	10/21	10:00 a.m.	https://cc.readytalk.com/r/kuyeihpo4li6
	10/28	10:00 a.m.	https://cc.readytalk.com/r/f5q3lst2txdu
TOPIC	DATE	TIME	REGISTRATION LINK
E-Tran	11/3	10:00 a.m.	https://cc.readytalk.com/r/2iu3ml01gn2f
	11/17	10:00 a.m.	https://cc.readytalk.com/r/3v9ihbbx81w5
Lender Advantage	11/10	10:00 a.m.	https://cc.readytalk.com/r/viz8do5t10gt
	11/30	10:00 a.m.	https://cc.readytalk.com/r/xyxhvef1yc5e

You can verify your computer is set up to participate by visiting www.readytalk.com and clicking on the "Test Your Computer" link in the green-shaded area under the "Join a Meeting box." After registering, you will receive an e-mail with the website, phone number and access code information.

Small Business Week Nominations

Nominations are now being accepted for West Virginia's 2011 Small Business Person and Champions of the Year awards. Award winners will represent West Virginia during regional and national competition, be honored at West Virginia's Small Business Celebration scheduled for May of 2011, and receive state-wide recognition in business publications throughout the state.

The deadline for nominations is **Monday, Nov. 22, 2010**. [Guidelines and nomination forms](#) can be found on the SBA's West Virginia District Office web page at www.sba.gov/wv (under the Spotlight section) or by calling (304) 623-7449 (email: richard.haney@sba.gov).

FY 2010 Final Lender Ranking

	Lender Name	\$ Amount	Loans
1	Main Street Bank	\$2,651,700	44
2	Huntington Bank	\$4,809,400	33
3	BB&T	\$6,209,000	31
4	First State Bank	\$3,023,100	13
5	JP Morgan Chase	\$2,338,900	13
6	Community Trust Bank, Inc.	\$722,819	13
7	Superior Financial Group, LLC	\$92,500	9
8	OVIDBC CDC, Inc.	\$5,558,000	8
9	Pendleton Community Bank, Inc.	\$932,447	8
10	The Citizens Savings Bank	\$1,332,800	7

SBA Welcomes Erica Parker

On October 12, the West Virginia District Office welcomed Erica Parker to the position of Lender Relations Specialist. Erica comes to SBA from Atlanta, GA where she was active in helping small business owners secure capital for over eleven years. She began her lending career in 1994 as a Lending Officer with a local Credit Union. It was there she developed an attitude of service. That desire to help took her from the Credit Union to a small Commercial Bank, then to a Regional Bank and most recently owner of a Commercial Mortgage Company.



"This is an exciting opportunity to assist small businesses and help stimulate West Virginia's economy," said Erica. Atlanta's loss is certainly West Virginia's gain. Welcome to Wild, Wonderful West Virginia Erica!

The Lender's Advantage Distribution

If you know someone who would benefit from receiving ***The Lender's Advantage***, please feel free to forward a copy of this edition. Also, please submit their name and contact information to our office so we can incorporate them in our future distribution list. Forward their info to wvinfo@sba.gov with the subject line "The Lender's Advantage Newsletter." Thank you!

Reminder – "For SBA Lenders" Web Site

There is a section of the Financing web page on the WV SBA web site devoted to our lending community. (<http://www.sba.gov/localresources/district/wv/financing/index.html>). This section is specifically designed to keep the West Virginia lending community informed and up-to-date on items pertaining to SBA loan programs without having to search numerous other SBA web sites.

There are direct links to SBA Notices, SBA Lending web sites, lender rankings, SOP's and more.

If you have additional items you would like to see posted in this area, please contact Rick Haney at (304) 623-7449 (email: richard.haney@sba.gov) with your recommendations.

Surety Bond Guarantee Program

The SBA Surety Bond Guarantee (SBG) Program revisions implemented by the Recovery Act expired on September 30, 2010. At that time, the temporary contract ceilings of \$5 million and \$10 million expired and the maximum eligible contract amount returned to \$2 million. For additional information see [SBA Notice 5000-1169](#) on the ***For SBA Lenders*** section under the Financing area of the WV SBA web site (www.sba.gov/wv).