

A vintage-style compass is visible in the upper left corner, showing a scale from 0 to 90 degrees. The background is a topographic map with contour lines and some text, including "THE" and "TEMPERATURE ZONE".

# Dakota/Scott Bankers Summit October 2009

# SBA Loans

- Meeting customer needs with a short-term or long term solution depending on their needs
- New ARC loans, enhanced SBA 7(a) Loan Program and SBA 504 Loans

# SBA Financing Opportunities

The background of the slide features a compass rose on the left side, showing cardinal directions (N, S, E, W) and degree markings. The rest of the background is a faded map with various geographical lines and labels.

- Help companies restructure debt to accommodate cash flow changes that occurred due to declines in revenue
- Help companies take advantage of opportunities while preserving liquidity with smaller down payments required

# Updates

- SBA's New Program
  - Americas Recovery Program (ARC)
- SBA 7(a) Changes
  - Guaranty percent increase to 90%
  - Guaranty fees waived
  - Business Acquisition Underwriting
  - Fixed Rate Option

A compass rose is visible on the left side of the slide, and the background features a faint map of the United States. The title is centered at the top in a large, bold, gold-colored font.

# America's Recovery Program (ARC) Loans

- **Deferred Payment Loan**
  - Limited use of proceeds - to make P&I payments on qualifying debt to qualified viable companies
  - Company must be suffering “immediate financial hardship”
  - Maximum loan amount \$35,000
  - 100% guaranteed, 0% interest
  - Interest paid to bank by SBA, no bank or SBA fees
  - Disbursement period up to 6 months, followed by 12 months of no principal payments, then payments over a 5 year period

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# Changes to 7(a) Loan Program

- Program “Stimulus Bill” enhancements
- All loans can have a 90% guaranty up to a total guaranty of \$1,500,000 for most borrowers
- Guaranty fees waived by SBA
- Banks may charge regular packaging fees
- Utilize for long term financing strategies

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## 7 (a) Refinance Loans

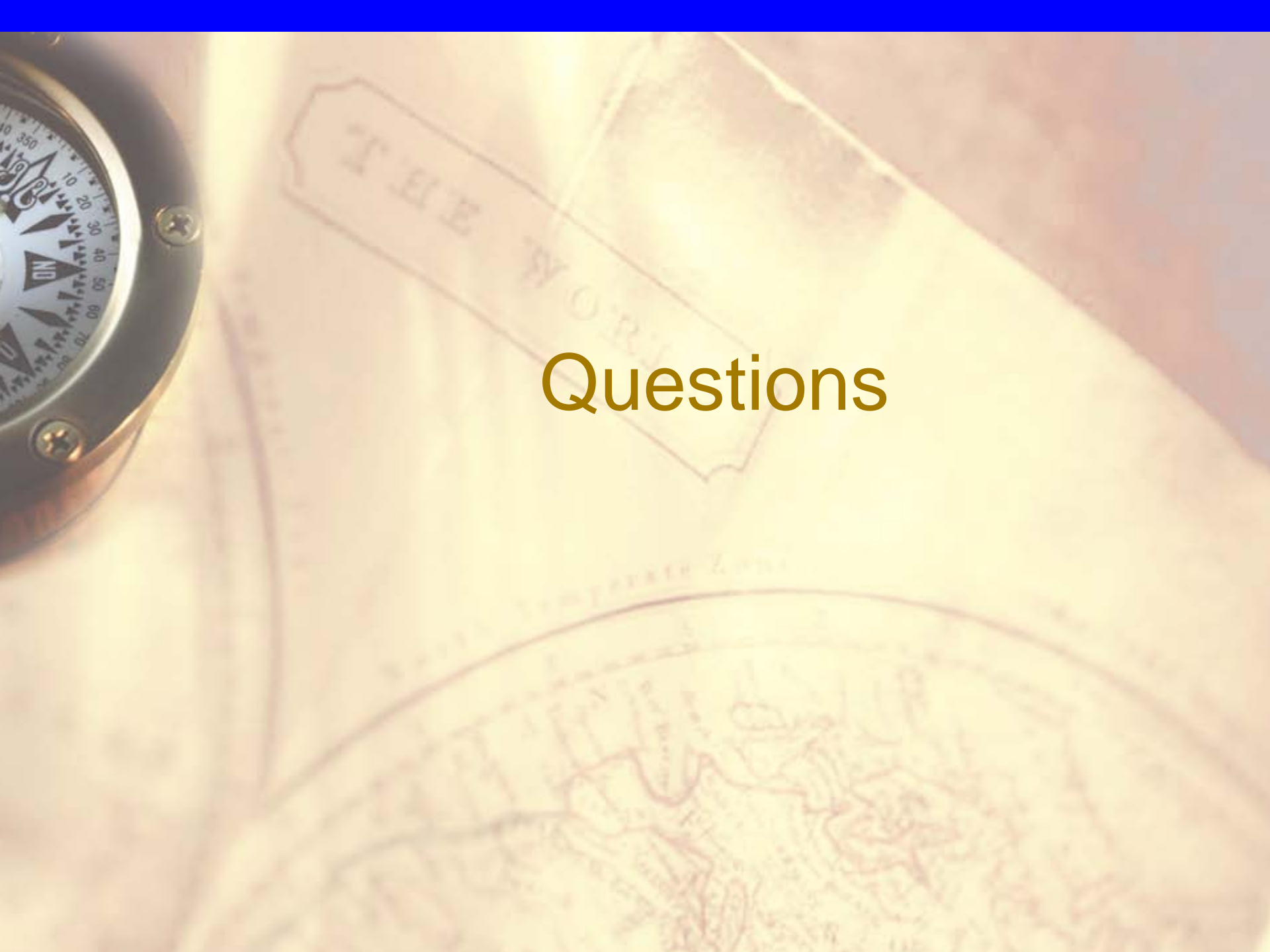
- Long term financing solution
- Stretch term to enhance cash flow
- SBA central processing required when refinancing your own bank debt
- Relaxed credit card documentation requirements for cards in business name
- 90%/No gty fees benefit not available to some recreational businesses

# Fixed Rate Option

- SBA will publish the fixed rate on SBA.gov and Colsonservices.com website monthly
- Loans with maturities greater than 7 years and more than \$50M is currently 8.94%

# Change in Ownership Restrictions Relaxed

- Intangible asset purchases in excess of \$500,000 require a 25% equity injection
- Equity injections can be any combination of equity and seller debt that is on standby for at least 2 years
- Exceptions can be approved by SBA through centralized processing



# Questions