

June 2009

*Lower Rio Grande Valley  
District & Corpus Christi  
Branch*

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

## Lender Rankings – Fiscal Year 2009 October 1, 2008 – May 31, 2009

### LRGV/CCBO Top Volume Lenders

1. 1 <sup>st</sup> Community Bank	19	\$1,146,000
2. ValueBank Texas	9	\$4,897,100
3. Wells Fargo Bank	6	\$1,438,400
4. Compass Bank	5	\$115,000
5. Innovative Bank	4	\$90,000
6. American Bank, N.A.	3	\$525,000
7. 1 <sup>st</sup> Natl Bank of Beeville	2	\$1,456,000
8. Frost National Bank	2	\$414,500
9. Greater South Texas Bk	2	\$267,200
10. Texas Champion Bank	2	\$125,000

### LRGV/CCBO Top Volume CDC's

1. Texas CDC	3	\$1,881,000
2. Capital CDC	2	\$2,099,000
3. Brownsville Local Dev Co	2	\$696,000
4. North Texas CDC	1	\$878,000
5. Accion Texas	1	\$572,000

### LRGV/CCBO Top Volume Third Party 504 Lenders

1. American Bank, N.A.	2	\$1,170,448
2. Wells Fargo Bank	1	\$2,207,647
3. Compass Bank	1	\$1,999,433
4. Western Bank of Clovis	1	\$1,426,000
5. Zion First National Bank	1	\$1,028,680

## 2009 RECOVERY ACT



## American Recovery and Reinvestment Act of 2009 Stay Informed on the Latest Developments!

Whitehouse ~ [www.recovery.gov](http://www.recovery.gov)

The American Recovery and Reinvestment Act will be carried out with full transparency and accountability – and Recovery.gov is the centerpiece of that effort.

U.S. Small Business Administration Online Assistance ~ <http://www.sba.gov/recovery/index.html>



## 2009 RECOVERY ACT



## HELPING SMALL BUSINESS START, GROW AND SUCCEED

### Lenders Can Help America's Small Businesses Recover with SBA's ARC Loans

Lenders play a critical role in the health of the American economy, and are especially vital to small businesses. The U.S. Small Business Administration is implementing a special, temporary loan program you can use to help struggling American small businesses while reducing your risk during these tough economic conditions.

Under authority provided in the American Recovery and Reinvestment Act (signed Feb. 17, 2009), SBA has designed a deferred-payment loan program to help small businesses make payments on existing debt.

Section 506 of the Recovery Act authorized SBA to help viable small businesses make payments on existing small business debt. The America's Recovery Capital, or ARC Loan Program, is designed to give viable small businesses facing immediate financial hardship some temporary financial relief so they can keep their doors open, refocus and get their cash flow back on track. ARC loans are available through SBA-approved small business lenders and have been authorized through Sept. 30, 2010, or until the appropriated funds run out, whichever comes first.

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## Loan structure

- An ARC loan is a deferred-payment loan of up to \$35,000.
- ARC loans will be used to make up to six months of principal and interest payments on qualifying loans for existing viable for-profit small businesses in the United States.
- Disbursement period (up to six months) is followed by 12 months with no repayment of the ARC loan principal, followed by a repayment period of five years. SBA pays monthly interest to the bank.

## How lenders benefit

- Reduced Risk: 100 percent guaranty provides greater security and confidence to lend.
- Guaranteed Interest: SBA will pay monthly interest to the lender at reasonable rates throughout the term of the loan.
- Conventional, commercial business loans (and SBA-guaranteed loans made on or after Feb. 17, 2009) are an eligible use for ARC loan proceeds.
- Proceeds may be used to pay on mortgages, secured and unsecured loans, lines of credit and credit cards if the debt was used for eligible business purposes under the program.
- SBA turnaround on non-delegated loan applications – expected within five to ten business days.
- Access to E-Tran, SBA's electronic application process available to SBA delegated lenders.
- Existing SBA lenders are eligible to make ARC loans and delegated lenders may make ARC loans on a delegated basis.

## How the community benefits

- SBA loans help build and retain community businesses, create jobs and stimulate economic activity.

## How small business owners benefit

- ARC loans are interest-free to the borrower, have deferred payments for 12 months, and have no SBA fees associated with them.
- ARC loans will allow borrowers to redirect cash flow from making loan payments to investing in their businesses.
- Banks will begin investing in small businesses again, making credit more readily available for those businesses that need it.
- Streamlined applications by SBA.

SBA loan programs now provide greater incentives to you the lender, are more affordable for small business owners, and help to drive economic recovery in your community.

For more information, click on the following links:

- [www.sba.gov/aboutsba/sbaprograms/elending/RECOVERY\\_INFO\\_LENDERS.html](http://www.sba.gov/aboutsba/sbaprograms/elending/RECOVERY_INFO_LENDERS.html)
- [Lenders Arc Loan Fact Sheet](#)
- [FAQs for Lenders & Borrowers](#)
- [ARC Loan Procedural Guidance](#)

## ARC Loan form for Borrowers:

[SBA Form No. 2315](#): America's Recovery Capital (ARC) 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, any other person, including a hired manager, who has authority to speak for and commit the borrower in the management of the applicant business.)

## ARC Loan forms for Lenders:

[SBA Form No. 2316 \(Part A\)](#): America's Recovery Capital (ARC) Loan Guaranty Request (required to be completed by non-delegated lenders)

[SBA Form No. 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 completing the form (non-delegated lenders) or by E-TRAN (delegated lenders)]

[SBA Form No. 2316 \(Part C\)](#): Eligibility Information Required for America's Recovery Capital (ARC) Loan Submission (required to be completed by all lenders for all non-delegated lender application submissions to SBA. Delegated lenders are to complete the form and place it in the borrower's loan file to be made available upon SBA's request.)

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## Local SBA Lender Training available on the following topics:

- 1. Introduction to SBA Lending – The 7(a) and the 504 Loan Program**  
(With updates on the American Recovery & Reinvestment Act of 2009 including the ARC Loan)
- 2. Small/Rural Lender's Advantage Loan Program** – designed to encourage small community/rural lenders to partner with SBA by simplifying and streamlining the Agency's application process and procedures, particularly for small SBA loans.
  - No SBA forms required for Lender to join the program
  - Designed for small SBA loan volume lenders
  - Maximum loan size ranges from \$350,000
  - Standard Interest rates apply
  - \* 75% guaranty for loans greater than \$150,000
  - \* 85% guaranty for loans less than \$150,000
  - An expedited SBA loan processing time of 3-5 days for routine loans
  - Simplified loan applications for lender and applicant.
- 3. How to Become an Express Lender**
  - *SBAExpress Loans*
    - Maximum Loan Amt of \$350,000
    - Prime Plus 6.5% for loans \$50k or less
    - Prime Plus 4.5% for loans > \$50k
    - 50% guaranty - lender uses own forms & procedures. *Guaranty not increased by the American Recovery & Reinvestment Act*
  - SBA Community Express Loan
    - Maximum Loan Amounts of \$250,000
    - Businesses located in HUBZone and CRA areas
    - Loans of \$25,000 or less are eligible regardless of location
    - \* Standard 75% or 85% guaranty & standard interest rates
    - Use of technical assistance providers – SCORE or SBDC
  - Patriot Express Loan Initiative
    - Targets small business owned 51% or more by certain members of the military community and/or their spouses
    - Maximum Loan Amounts of \$500,000
    - \* Standard 75% or 85% guaranty & standard interest rates
- 4. Refresher on Express Programs**
- 5. Agency procedures on Closing and Servicing of SBA Loans**
- 6. Agency procedures on Liquidation and Purchase Requests of SBA Loans**

**\*Please note: Standard guaranty of 75% & 85% temporarily increased to 90% for certain loans under the American Recovery & Reinvestment Act. Depending on loan volume in the 7(a) program, SBA estimates that the increased guaranty percentage will be available through approximately December 31, 2009.**

**Please contact Thelma Garza, Lender Relations Specialist at 956-427-8533, x223 or Debbie Fernandez, Business Development Specialist at 361-879-0017, x16 to discuss or schedule any in-house bank training needs.**