



Oklahoma District Office
June 10, 2009

7(a) Guaranty

EFFECTIVE MARCH 17, 2009

Loans eligible for 90% Guaranty:

- Standard 7a, CLP, PLP, Small/Rural Lender Advantage, Community Express, Patriot Express, Export Express, Gulf Opportunity

Loans NOT eligible for 90% Guaranty:

- SBAExpress will remain at 50% guaranty

Maximum guaranteed amount is \$1,500,000

7(a) Fees

EFFECTIVE FEBRUARY 17, 2009

- All guaranty fees on 7(a) loans have been eliminated.
- 7(a) loans with maturities of 12 months or less still must pay SBA's ¼ point guaranty fee

EXCEPTIONS:

- LOCs approved on or after March 16, 2009 via Patriot Express or Caplines are eligible for up to a 90% guaranty
- LOCs approved on or after February 17, 2009 via SBA Express are not eligible for more than a 50% guaranty but qualify for fee eliminations if maturity is longer than 12 months

504 Fees

EFFECTIVE FEBRUARY 17, 2009

- All CDC processing fees and third-party participation fees have been eliminated
- SBA will reimburse CDCs for the waived CDC processing fees

Expiration of Fee Eliminations

Fee eliminations will expire when funding level is reached or at the expiration of the Emergency Economic Stabilization Act (EESA) authority on 12/31/09.

- 7(a) support: \$8.7 billion
- 504 support: \$3.6 billion

Refund of Fees Paid

Fees paid since February 17, 2009 will be refunded by SBA. Expected date is after May 1, 2009.

Lenders must reimburse fees paid by borrowers on eligible loans.

Prohibited Use of Funds

- Casino or Gambling Establishment
- Aquarium
- Zoo
- Golf Course
- Swimming Pool

However, Lenders may submit loan requests under normal guidelines of 75/85% guaranty and pay all fees.

Secondary Market

Treasury Department:

- Will purchase securities backed by 7(a) loans and 504 first-lien mortgages packaged on or after July 1, 2008
- Stands ready to purchase securities backed by new 7(a) loans and 504 first-lien mortgages packaged between now and December 31, 2009

7(a) by end of March, 504 no later than May

- Developing a secondary market guaranty program for securities issued from pooled 504 first mortgage loans

America's Recovery Capital (ARC) Stabilization Loan

Available June 15, 2009

- Maximum Loan Amount of \$35,000
- Assist w/Existing Debt Payments for up to 6 months
- 100% Guaranty
- No interest Paid by Borrower
- No Collateral Required
- Repayment Starting 12 Months after final disbursement
- Up to 5 year term

America's Recovery Capital (ARC) Stabilization Loan

- Business Must Have Been Profitable at Least One of the Last Three Years
- Must Project Sufficient Cash Flow to Meet Current and Future Loan Payments
- Eligible Debt Could Include:
 - Credit Card Obligations
 - Capital Leases
 - Notes Payable to Vendors/Suppliers
 - Other Loans
 - CDC 504 First Lien Loans
 - Loans with SBA Guaranty made on/after Feb. 17, 2009

Floor Plan Financing

Available July 1, 2009

- For Auto, RV, Manufactured Homes, Boats, Motorcycles
- Line of Credit Allows Dealers to Borrow Against Titled Inventory and Repay the Debt as they Sell the Inventory
- 7(a) Loan
- \$500,000-\$2 million
- 5 year Term
- 75 Percent Guaranty

Program Not Yet Available

Up to 50% Debt refinance Under 504 Program

- If the project involves expansion of a small business
- If existing debt was used to acquire fixed assets eligible under 504

Submission and Processing

- Submission process remains the same
- E-Tran is encouraged for Express/PLP
- Quick turnaround of 2-3 days with complete package

Details

- Recovery Policies/Procedures: www.sba.gov/recovery
- Standard SBA Form Page: www.sba.gov/banking
- OKDO website: <http://www.sba.gov/localresources/district/ok/index.html>
- SOP 50-10 5 (A): www.sba.gov/aboutsba/sbaprograms/elending
- Eligibility Assistance: SBA Sacramento Loan Processing Center
- 7aquestions@sba.gov or 916-735-1515 x4368
- Loan Requirements and Processes: Oklahoma District Office
- cindi.anderson@sba.gov or 405-609-8018
- sandra.ransome@sba.gov or 405-609-8019