



209 E. William, Suite 300
Wichita, Kansas 67202

SCKEDD Messenger

May 2007, Issue 5

New Streamlined 504 Loan & Debenture Closing Procedures

Effective August 1, 2007, the Office of General Counsel (OGC) is instituting new streamlined procedures for closing 504 loans and debentures. OGC and a team of SBA field office attorneys reviewed the entire closing process including closing checklists and loan closing documents. The new procedures will increase consistency in debenture closings by creation of new standard closing forms, debenture closing policies and procedures, and SBA counsel review guidelines. The new process creates uniformity in the documents and decreases the number of closing documents submitted to SBA in a closing package.

SBA Express Loans

During several of our visits with bankers over the last few months, there seems to be an increased interest in SBA Express Loans, (not to be confused with SBA Community Express loans). This is a program that allows the lender to use its own documents and has a guaranty of 50%. This program works well for Revolving Line of Credit Loans. The Wichita District Office has a good Lender's Desk Reference on this loan program. Contact Brenda Murray (brenda.murray@sba.gov) or Miki Cady (miki.cady@sba.gov) at SBA's Wichita District Office (316-269-6571) to receive the most recent copy.

If you keep the maturity to less than 12 months, the guaranty fee is much lower for your customer. The next time you have a request for a revolving LOC, give this loan program some thought. It may offer you some benefits not otherwise available on your own. Once you read up on this program, it is not difficult to use. Training by SBA's local staff at your bank is also available. If your bank is not an approved SBA Express lender, contact SBA's Wichita District Office to find out how to apply.

Tax Credits Available

The Kansas Rural Business Development Tax Credit Program has been extended through 2012. For each dollar your bank (or a customer) donates to SCKEDD the donor will receive a 75 cent Kansas Income Tax Credit and the full donation can be taken as a donation to a non profit on your Federal Income Tax Return. This can be a substantial benefit to higher tax bracket taxpayers. Banks can also use the Tax Credits towards their Community Reinvestment Act requirements. The purpose of this program is to create jobs in rural areas of Kansas. Please contact Bill Bolin at bill@sckedd.org or 316-262-7035 (800-326-8353) for information about buying Tax Credits.

We use these dollars to fund our Rural Business Loan Program. These are small loans from \$2,500 to \$50,000 for areas outside the cities of Hutchinson and Wichita. The interest rates are fixed at Prime + 1 to 2%, depending on size. Loan requests over \$20,000 require a bank turndown. Contact Christie Henry at christie@sckedd.org or 316-262-7035 (800-326-8353) for more information about this loan program.

CONTACT SCKEDD TODAY!

316-262-7035, 800-326-8353, sandy@sckedd.org or rick@sckedd.org

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TOPIC for Next Issue:
Capital Injection
Requirements

Monthly Rate Corner

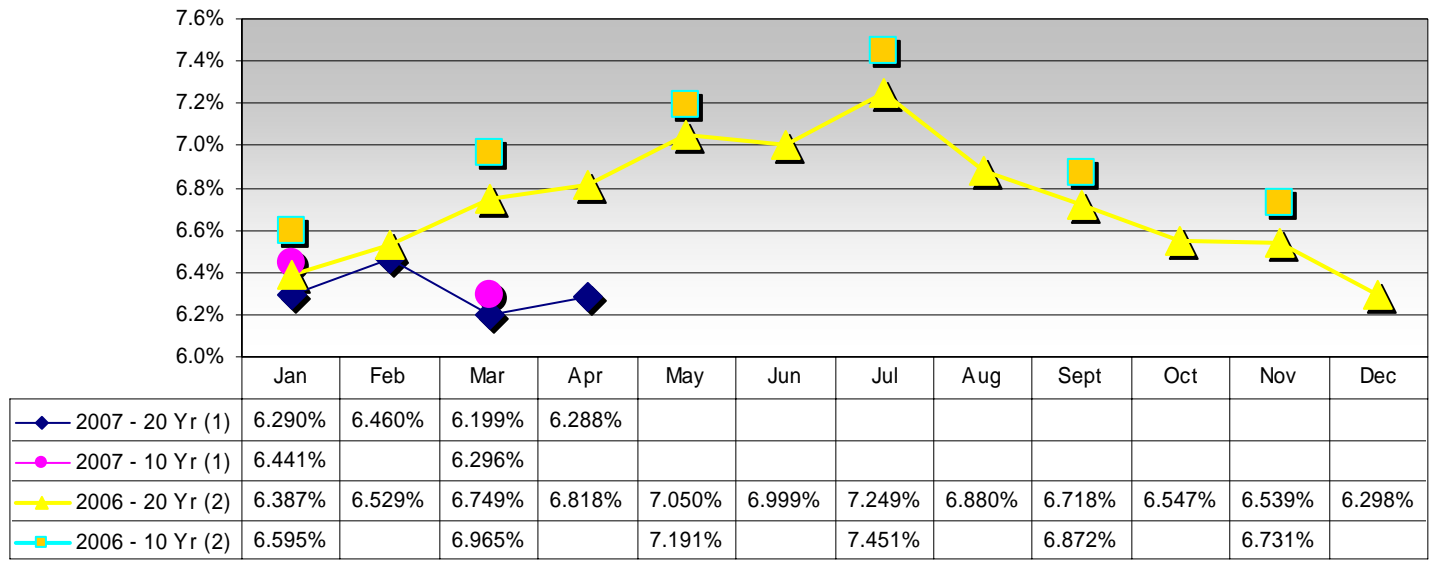
504 Rates based on the May '07 Debenture Sale

	<u>"Note Rate"</u>	<u>"Effective Rate"</u> (includes fees)
10-Year	5.288%	6.359%
20-Year	5.386%	6.280%



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History of SBA 504 "Effective" Interest Rates



Please Note: "Effective" Interest Rate includes ALL fees

(1) Subsidy fee of .018

(2) Subsidy fee of .192

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