



Messenger

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Proposed Small Business Programs Announced

February 5, President Obama announced two new small business lending initiatives to help increase access to capital and create jobs. These temporary Small Business Administration initiatives include a refinancing program for small business owner-occupied commercial real estate and an expanded working capital loan program. At the same time, the president continued his call for a permanent increase of the maximum loan sizes for SBA's 7(a), 504 and microloan programs and to extend the successful small business Recovery Act lending programs. These initiatives are part of the Administration's broader agenda to improve access to credit for small businesses, including a proposal to transfer, through legislation, \$30 billion to a new Small Business Lending Fund that will support lending by community and smaller banks.

One of the initiatives would temporarily allow for the refinancing of owner-occupied commercial real estate (CRE) loans under the SBA's 504 program, which provides guarantees on loans for the development of real estate and other fixed assets. Currently, 504 loans cannot be used for the refinancing of maturing debt. The other proposed new program would temporarily increase the cap on SBA Express loans from \$350,000 to \$1 million. This would expand access to much-needed working capital and allow more small businesses to take advantage of the streamlined approval process.

In addition, the Administration would like to continue with two previously existing programs. These include permanently increasing maximum loan size for 7(a), 504 and Microloan Programs and continue the successful Recovery Act Programs for fee relief and higher guarantees through Fiscal Year 2010. If approved, the proposed changes would permanently increase 7(a) loans from \$2 to \$5 million; increase 504 loans from \$2 to \$5 million for regular projects, and from \$4 million to \$5.5 million for manufacturing; and increase SBA Microloans from \$35,000 to \$50,000. Extending SBA's Successful Recovery Act Loan Programs will allow for continued raised SBA 7(a) loan guarantees and reduced fees for 7(a) and 504 loans. These measures have helped increase weekly SBA loan volume by over 85 percent compared to the depths of recession.

Please note that these changes are only proposals and have not been approved yet.

For questions on these proposed initiatives contact loan managers Sandy Ring or Christie Henry at SCKEDD at 316-262-7035 or toll-free 800-326-8353.

Information for this article was obtained from the SBA website (<http://www.sba.gov>).

CONTACT SCKEDD TODAY!

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Monthly Rate Corner

504 Rates based on the most recent Debenture Sale

	"Note Rate"	"Effective Rate" (includes fees)
10-Year *	3.288%	4.914%
20-Year **	4.204%	5.555%

* Jan. 2010 (10-year Debentures sell every other month)

** February 2010