

**The 20-year effective rate for loans sold this month is 5.605%\***  
The 10-year effective rate for loans sold this month is 4.602%\*

### HOW'S BUSINESS???

Not bad; pretty good. We are hearing those statements more often these days, and it is hard to tell whether those statements are really true, wishful thinking, or perhaps a reflection of where we have come from. We have 1100 customers in our portfolio in 69 of Wisconsin's 72 counties and it is hard to characterize where we are in this recovery. We may hear that the recession has ended, and perhaps it has, but it doesn't feel like it, yet.

That said, the advice to never waste a crisis may be accurate. Many small businesses are availing themselves of the tools and opportunities that have been provided to help us grow a recovery. These tools may be with us for some time, but likely will see a sunset.

1. The Federal Reserve continues its aggressive fiscal policy which has provided record low interest rates. A few years from now we may likely look back in wonder at these very low rates and admire those who were able to lock in financing.
2. Congress once again has provided appropriations for certain fees associated with the origination of SBA loans as well as continuation of the 90% 7a guarantee. The appropriations are being made on a month to month basis and under this latest bill, fees waivers and the 7a 90% guarantee are expected to continue through May. Jobs bills have been proposed in both the House and Senate to extend these provisions until the end of the year, but have not yet been reconciled.
3. Increased authorized levels of both 7a and 504 financing as well as the use of 504 to refinance commercial debt have been proposed but are stalled in the House. The Administration supports these initiatives and 52 House members have now signed on as co-sponsors.
4. On March 18, the President signed the Hiring Incentives to Restore Employment Act of 2010 (HIRE). The bill provides a payroll tax forgiveness and worker retention credit for new employees who had been out of work for 60 days. These workers must be hired between February 3, 2010 and January 1, 2011. The tax credit for workers is 6.2% of their taxable payroll and is claimed against payroll taxes not income taxes. In addition if the employee remains on the payroll for 52 weeks an income tax credit of \$1000 per eligible employee may be allowed. These credits for new employees will be very helpful to our 504 loan customers who are expanding or starting businesses and hiring new employees, and should be a strong consideration for those who are thinking of doing so to move forward.

5. The HIRE act also extends the \$250,000 Section 179 expensing level until December 31, 2010. Personal property assets placed in service before that date will be eligible for a current deduction rather than depreciation.

There are opportunities for those willing to expand in this market for both financing and tax incentives, but these incentives will not be permanent. We would be happy to meet with your business customers and you to help discuss their plans and the benefits that are available.

### EVENTS

Registration is still open for the 2010 Lenders conference at the Kalahari Resort on May 20,21, 2010. SBA leadership and staff, and experienced participant in SBA lending and other loan process will provide timely and relevant presentations. For registration materials call 1-800-898-9472 or go online at [www.uwsp.edu/conted/conferences/lenders](http://www.uwsp.edu/conted/conferences/lenders).

Each year the SBA recognizes small business owners and business advocates for their outstanding contributions and impact. This year's awards breakfast will be at the Italian Community Center in Milwaukee on June 4. We congratulate these award winners and all who champion small business achievement. For a reservation or more information, please contact Mary Trimmier at [mary.trimmier@sba.gov](mailto:mary.trimmier@sba.gov).

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**\*FOR MORE INFORMATION, GO TO [WWW.WBD.ORG](http://WWW.WBD.ORG) OR CALL YOUR LOCAL WBD OFFICE.**