

CURRENT 504 LOAN RATE

The 20-year effective rate for loans sold this month is 5.374 %*

The 10-year effective rate for loans sold this month is 4.49 %*

TAKE A LOOK AT US NOW

Beginning June 15th, SBA will start offering 100% guaranteed temporary relief loans to eligible small businesses through the America's Recovery Capital (ARC) loan program. ARC loans will be deferred-payment loans of up to \$35,000 to established viable small businesses. These loans will be disbursed over a period of six months with proceeds being used to cover payments of principal and interest on existing qualified small business debt. Repayment begins 12 months after the final disbursement at which point principal will be paid back over a period of up to five years.

The program was created as a no-interest, no-fee, deferred payment loan to help struggling small businesses that have a history of good performance and a positive future outlook. ARC loans will be made by SBA participating commercial lenders, not SBA itself. Non-SBA lenders can easily become SBA participants by contacting their nearest SBA district office. For more information on ARC loan eligibility and the application process, please visit www.sba.gov/recovery/arclanprogram/index.html. We will keep everyone posted as additional regulations are published for this program.

Early indications show the American Recovery and Reinvestment Act of 2009 has been successful in revitalizing demand for the SBA 504 and 7(a) programs. As of May 2009, the SBA has approved over \$2.4 billion in recovery based loans resulting in over \$3.3 billion dollars in lending to small businesses. Post stimulus bill weekly loan dollar volume has risen more than 25%. Hundreds of lenders who had become inactive in SBA 7(a) lending have returned to the market encouraged by the 90% guarantee, waived origination fees, and increased activity in the secondary market.

While SBA is pleased to see the resurgence of interest in the SBA 7(a) loan program, they realize much more needs to be done to help America's small businesses. This is why the SBA is temporarily amending the size criteria for the 7(a) program to include the 504 size standards for eligibility determination. Those standards include a tangible net worth of \$8.5 million or less and a two year average net income of \$3.0 million or less. SBA estimates 70,000 new small businesses will become eligible for the 7(a) program under this new size standard. This is an Interim Final Rule and will be in effect through September 30th, 2010.

At WBD, we are excited to see the increased interest in the 504 and 7(a) loan programs and we are encouraged by the continued steps SBA is taking to help small businesses. We also want to help and encourage all of you to give our lenders a call to discuss new opportunities.

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