

AUGUST 2010

The 20-year effective rate for loans sold this month is 4.931%* (all-time record low)

SBA 504 SUBSIDY FEE UPDATE:

The low 504 fixed rate for this month shown above includes an SBA subsidy fee of 0.389%. The subsidy fee for the upcoming SBA fiscal year will be increasing to 0.749%. This will affect projects authorized by SBA after September 30, 2010. If you have a pending project, please contact your local WBD office so that we can work towards loan authorization under the lower subsidy fee available until September 30, 2010. You may save your customer 36 basis points over the life of the loan by doing so.

WHAT'S NEW ON THE HILL?

H.R.5297 - Small Business Jobs and Credit Act of 2010 has stalled in the Senate.

According to the Library of Congress, the latest action was made on August 5, 2010: "Motion by Senator Reid to commit to Senate Committee on Finance with instructions to report back forthwith with amendment SA 4599 made in Senate."

Presently, the House and Senate are in recess until September 13th and as a result, no further action can be made until the Senate reconvenes.

What is the H.R. 5297 bill?

The Small Business Jobs and Credit Act of 2010 create the Small Business Lending Fund Program which directs the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses. It amends the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes.

TO BE CONTINUED...

What does this mean for small businesses?

If the bill is passed, it would create a \$30 billion fund for small business lending to community banks, which would provide easier access to funds for their small business customers. The bill also includes higher 504 and 7a limits, and a refinancing option. The maximum size for 504 debentures will be increased to \$5 million for most eligible projects, and \$5.5 million for some public policy projects. It will also increase the maximum for 7(a) loans to \$5 million. If this bill were signed, the refinance option would allow the use of 504 structures to refinance existing commercial real estate debt. The availability of a second mortgage for a portion of the debt will provide a long-term fixed rate solution for small business as well as some risk management control for banks.

In addition, the bill includes the appropriation of \$505 million for the continuation of the 504 and 7(a) fee waivers under ARRA and extends the 90% guarantee for banks position on 7(a) loans, both through 12/31/2010. The appropriation would allow customers to waive the 1.5% fee, allowing small business owners to have more capital available to cover operating costs.

What can you do?

For more information on this bill or information on how to support the H.R. 5297 bill, please go to Library of Congress website:

<http://thomas.loc.gov/cgi-bin/bdquery/z?d111:h5297>:

NEW SBA WEBSITE LAUNCHES IN THE FALL

Take a peek at the future SBA website! The revamped SBA website due to launch this fall will help businesses and lenders more easily and efficiently navigate through information. The new website will include personalized tools, providing more information that is specific to user needs and location. To see what's coming and for more information go to: <http://www.sba.gov/next/>.

WBD FINANCE CORPORATION LENDING GROUP

DAN SCHNEIDER, Executive VP of Lending: 608-316-7140

MADISON: 608-819-0390

Larry Schwenn: 608-316-7134
Diane Pasley: 608-316-7132

WAUKESHA: 262-970-8533

David Kircher: 262-436-3008
Steve Bonnell: 262-436-3014
Steve Kohl: 262-436-3012

FOX VALLEY: 920-231-5570

Jason Monnett: 920-966-1479
Rich Diemer: 920-966-1484

EAU CLAIRE: 715-834-9474

Mike Dieckman
Jeremy Price

STEVENS POINT: 715-343-9082

Dan Timm

GREEN BAY: 920-496-2109

Jason Monnett
Dan Schneider

HUDSON: 715-381-6719

Jeremy Price

RACINE: 262-598-9488

Steve Kohl

*FOR MORE INFORMATION, GO TO WWW.WBD.ORG OR CALL YOUR LOCAL WBD OFFICE.