



Monthly Update

**"LENDING
a hand to
small business"**

**Help us help you:
Let us know what we
can do to better
serve the small busi-
ness community and
local financial lending
institutions. Email
your suggestions to
jhill@bmtcoc.org.**

"For the second year in a row, the President has proposed increasing funding for the SBA and its programs, taking decisive steps to rebuild the SBA after eight years of cuts"
(PR Newswire 2/11/10)

Fee Eliminations Continue
Fee eliminations initially authorized to expire in December of 2009 have been extended through February 28, 2010. If you currently have working loans, it is critical to submit them to SBA prior to the deadline. Your borrower will thank you.

The Future of Small Business

President Obama has called on Congress to recycle \$30 billion dollars in remaining TARP funds to offer cheap capital to small community lenders so that they may provide the much needed assistance to small businesses.

Small businesses provide the majority of jobs in the U.S. and without capital to fund their operations, are unable to assist in the nation's recovery and in turn contributing to the inability to reduce unemployment.

The initiative target banks with assets of less than \$10 billion. These banks would be allowed to borrow money from the treasury at a rate of 1% provided they administer more small business loans

than were approved in the previous year.

The funds not utilized through TARP will be diverted to an entirely new lending program. In this proposal, we have recognized that small banks are not interested in borrowing from TARP," Small Business Administrator Karen Mills said at a press briefing aboard Air Force One en route to N.H. "We have proposed here to Congress that we create a separate lending facility that is not affiliated with TARP and does not carry any of those issues."

Banks with less than \$1 billion in assets would be able to receive capital infusions of up to 5% of their assets, and banks with assets of \$1 bil-

lion to \$10 billion would be eligible to access investments totaling 3% of assets. More than 8,000 of the country's 8,400 banks would be eligible to participate under these terms, according to government estimates (CNN Money.com).

The dividend rate for the capital would start at 5% and increase depending on the number of small business loans administered by the institution in comparison to the previous year.

"You've got a lot of small business owners who are ready to grow, ready to hire, but they just can't get financing. So we're going to use the SBA as one tool; this \$30 billion is going to help" said Obama.

What's Happening at SBAlliance

At this month's Free Lunch Friday, SBAlliance was pleased to induct Ron Berwick, of the Lamar Small Business Development Center, into the Millionaire's Club. This is a distinct honor and displays a critical partnership between not only the SBDC, but our community partners, in their effort to further the growth of our area through the SBA 504 loan program. To be a member of the Millionaire's Club, one must participate in \$1,000,000 in 504 debenture funding. Ron joins eight other

members from the SBDC and local lending institutions.

SBAlliance was also pleased to welcome Mr. Russell Hughes from the U.S. Small Business Administration as our distinguished guest. It was an honor to have Mr. Hughes in attendance to reiterate the importance of the SBA 504 loan program, and all SBA programs, to small businesses in our area.

We were fortunate to have our closing attorney, Eric Hird, in

attendance as well to answer any legal questions that might arise during our discussion. Mr. Hird is a vital resource to our CDC and we are delighted to work with him as we continue to grow SBAlliance Capital.

Free Lunch Friday is the last Friday of every month and we would love for you to join us.

If you are interested in attending, please contact Jessica Hill at jhill@bmtcoc.org for more information.