

SBA FEE WAIVERS REINSTATED!!

Over the course of the past year, many of you have followed the continuing saga of **ARRA Fee Waivers**. The “on again—off again” story has left many of us wondering what we should tell our prospective borrowers. **How long will the funding last? Will the fee waivers and increased loan guarantees be reauthorized after the expiration date?** Here is the latest update on the current status, and what we might expect in the future:

- Legislation was signed on March 2nd to provide an **additional \$60 million** to the SBA 504 and 7(a) programs. These funds provide fee relief for both programs and a higher guaranty percentage for 7(a) loans.
- Fee relief for both programs is authorized until **September 30, 2010**, or until funds provided for that purpose are exhausted.
- The higher guaranty percentage of 90% for SBA 7(a) loans will expire on **March 28, 2010**, unless the increased guaranty percentage is reauthorized with new legislation.
- The Senate recently passed HR 4213, which appropriates **\$560 million** more toward fee relief for both programs and increased guarantees for 7(a). The bill also extends the fee expiration date until **December 31, 2010**. We are anxiously awaiting approval from the House of Representatives.
- HR 4302 is currently being reviewed by the House Small Business Committee. This bill includes several very important program enhancements for SBA 504: 1.) increased maximum debenture size to **\$5 million and to \$5.5 million** for small manufacturers and energy-saving 504 projects; 2.) will provide the ability to use **SBA 504 to refinance** qualified projects for a limited time. The CDC industry is working hard to gather additional support from legislators for this critically important bill.

As always, we will do our best to help you stay abreast of the changes. Stay tuned for more developments!!

***504 Rates are AMAZING!!
March 2010 Rates are 5.6% FIXED for 20 years!!
10 year debentures are 4.6% fixed!***