

Recognizing the important role small business has in our economy, on March 16, 2009, the U.S. Small Business Administration (SBA) made the following significant announcements to stimulate small business lending:

- SBA 7a loan program has temporarily eliminated the guaranty fee charged on all loans. Historically, the SBA charged 2.0% to 3.5% of the amount guaranteed by SBA. The elimination of fees makes the SBA program more attractive over non SBA conventional loans because of the following:
 - SBA loan repayment terms are generally 7-10 years for working capital and equipment acquisitions, while conventional loans repayment terms are 1 year for working capital and 3-5 years for equipment.
 - SBA loans typically do not have negative loan covenants such as meeting certain financial ratio requirements.
- SBA 7a loan guaranty percentage is temporarily increased to 90% from 75%, which will attract more lenders back to the program. Since last year, the SBA loan program has seen its top national lenders reduce or eliminate their small business lending program activity.

These policy changes are temporary until 12/31/09 or whenever the estimated \$8.7 billion in 7(a) loan dollar volume is exhausted.

While many SBA lending participants have either substantially reduced or eliminated their SBA loan participation, Business Finance Group (BFG), with its core community bank lending partners, has continued to be a very active participant and is positioned well to assist small businesses to take advantage of the latest positive developments for the SBA 7(a) lending program.

BFG has more than 40 years of combined SBA lending experience. Please call one of our qualified staff to discuss how Business Finance Group can provide small business financing assistance.

BFG successfully assists businesses expand their business horizons.