



Your Partner In Lending STRATEGIES

SBA Lending—For the Love of the Program

Most community bankers I talk to are not excited about doing an SBA loan. I however, am very passionate about SBA lending and enjoy the challenges that come with such a specialized program. I have been doing SBA Lending for nearly 15 years now. I started straight out of college working for a bank that was creating a dedicated SBA Department. As a small community bank in the upper Midwest, we didn't have a lot of local experts. I saw this as challenge to learn, grow and become the experienced professional this community needed. Because my job entailed nothing but SBA loans, I learned to love the program and the challenges that came with it. I was used to having a pipeline of 10-20 SBA loans at any given time and closing around 5 a month. Having touched more than 500 SBA loans in my time, to me SBA Lending can be as simple as a conventional loan. Lend-

ers that are diligent and follow prudent lending practices, should be able to easily incorporate SBA lending into their product mix.

If you're interested in SBA lending, make sure you know what the program is really all about. If you don't have the expertise in house, think about developing a relationship with a qualified service provider or outsource the process. Having someone that can help you through the process and make sure things are done in accordance with the program requirements increases your chances that the SBA guaranty will provide you the coverage you expect.

Part of our services are to review SBA portfolio's for lenders. This can be a great training tool to help you understand areas that staff may need more training or assistance in. It will also help you better analyze the risk of your portfolio by knowing if

the SBA guaranty will provide the recovery you expect. If there are deficiencies in your loan files, now is the time to learn about and correct those issues. Once a loan goes into default, it will be harder to get the borrower to cooperate and assist you in correcting any areas of concern. Since many SBA loans are under collateralized, its important that the SBA guaranty provide the recovery expected. It's not uncommon for us to see costly mistakes in loan files of lenders that do very little SBA lending. This doesn't have to be the case, resources are available to assist you in getting them done right.

SBA programs are wonderful, but knowledge of their requirements are important to avoid costly mistakes. So it's important to have a knowledgeable member on your team. Give us a call today.

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Outsource Solution

Community Banks have outsourced a variety of their services for many years. SBA lending too can be outsourced. We at sbaSTRATEGIES can help take your lending to the next level with services in loan packaging, closing & funding, servicing and request for guaranty.

We also help with training staff, file review and development of SBA policies and procedures.

Isn't it time you get an experienced professional on your side, increasing your chances of turning a profit instead of a disappointing loss. Give us a call today to find out how we can fit into your business model. We'll bring you ease and piece of mind from beginning to end of the SBA lending process.

SBA Base Rates

June 2011

SBA LIBOR Base Rate	3.19%
SBA FIXED Base Rate	5.73%
SBA Peg Rate	3.75%
Wall Street Journal Prime	3.25%

*SBA approved spreads apply

If you'd like to receive this periodic newsletter via e-mail and gain additional knowledge of SBA lending, send a message with "Newsletter" in the subject line to Kimberly@sbastrategies.com