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National 7(a) Lender's Guide posted in Highlights & Headlines section at www.sba.gov/banking

We're on the Web!
www.sba.gov/tx/harlingen

Great partners:
<http://www.delmar.edu/sbdc/>

<http://www.coserve.org/sbdc/>

<http://wtce.utb.edu/itec/>

<http://www.score.org>

Newsletter Contact:
Debbie.fernandez
 @sba.gov or at
 (361) 879-0017,
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Another Banner Year for the U.S. Small Business Administration Record-breaking Year for the Harlingen District Office

In FY2004, the SBA provided a record level of capital to small businesses through guaranteeing over 81,000 **7(a)** loans, over 8,300 **504 CDC** loans, representing a 21% and 22% increase, respectively, over the equivalent period last year and is another 50-year record. Importantly, more SBA capital than ever is making its way to minority entrepreneurs. All told, this translates to over \$20 billion in fresh capital, which helps all small businesses keep pace with the new economic expansion. SBA and its resource partners (**SBDC, SCORE, and WBC**) provided more than 2.1 million entrepreneurs with business counseling and technical assistance last year. The Harlingen District Office set its own record with a total of 423 **7(a)/Microloans**, and 36 **504 CDC** loans for the same reporting period. Through the combined efforts of the SBA staff, and its own resource partners (**SBDC, SCORE, WBC, & VBOC**), the Harlingen district assisted over 10 thousand clients with business counseling and technical assistance. Under the SBA's intricate scoring system, the **Harlingen District ranked #1** among all 68 SBA offices in the nation.

7(a) and 504 Program Changes Effective October 1, 2004

Per SBA Notice 5000-931 dated 10/1/04 changes took effect to the 7(a) & 504 loan programs. These changes are in part the result of Continuing Resolution H.J. Res. 107 ("CR"), which will be in effect until November 20, 2004, and the expiration of certain temporary statutory provisions.

<u>Fees</u>	<u>Through September 30, 2004</u>	<u>Beginning October 1, 2004</u>
<u>Guaranty Fee</u> (under 13 CFR 120.220(a))	<i>To view the entire notice, go to www.sba.gov/banking.</i>	
Total Loan Amount \$150,000 or less	1 percent (of SBA guaranteed portion)	2 percent (of SBA guaranteed portion). Lender is again permitted to retain 25 percent of the fee.
\$150,001 to \$700,000	2.5 percent	3 percent
\$700,001 +	3.5 percent	3.5 percent (no change)
<u>SBA-Guaranteed Portion of Loan Amount</u> \$1,000,001 to \$1,500,000	0.25 percent of the amount over \$1,000,000	No such fee (the fee, and the \$1.5 million limit on loan guarantee amount, both expired September 30, 2004)
<u>Lender Annual Service Fee</u> (under 13 CFR 120.220(f))	0.36 percent of the outstanding balance of the SBA guaranteed portion	0.50 percent of the outstanding balance of the SBA guaranteed portion
<u>Commercial Loan Fee</u> Combination Financing (created by Public Law 108-217 as of April 5, 2004)	0.7 percent of the amount of the commercial loan in a senior lien position	No such fee (Combination Financing expired on September 30, 2004).

On the above chart, the fees under the "Beginning October 1, 2004" column are effective for loans **approved** on or after October 1, 2004. The fees under the "Through September 30, 2004" column will be applied to all loans approved by SBA (which must include the issuance of a SBA loan number and obligation of SBA funds) through and including September 30, 2004.

Fiscal Year 2004 – September 2004 Harlingen District Top Volume Lenders

1. Innovative Bank	112	\$846,000
2. American Bank, N.A., CC, TX	42	\$5,667,900
3. JP Morgan Chase	27	\$1,365,300
4. McAllen National Bank	26	\$5,364,550
5. Texas State Bank	25	\$3,329,400
5. Capital One, FSB	25	\$935,000

Congratulations and many thanks to all our participating lenders, CDC's & resource partners for making FY 2004 a record setting year for our district. We look forward to another productive year for FY 2005.

For a complete listing of the Harlingen District's participating lenders ranked by loan volume and dollar amount, visit <http://www.sba.gov/tx/harlingen/>.

Special Points of Interest!

- **October 20th (9:00 am)**—Harlingen SBA Lender Roundtable, SBA Office, Harlingen, TX.
- **October 28th (9:00 am)**—Corpus Christi Lender Roundtable, SBA Office, Corpus Christi, TX
- **December 3rd, 2004** – Small Business Week Nominations must be received by the Harlingen District or Corpus Christi Branch Office. Contact SBA for more details.