



Albuquerque Office
625 Silver SW, Suite 195
Albuquerque, NM 87102
(505) 843-9232 or
(888) 282-9232

Karen Howard
Executive Director
khoward@elcdc.com

Steve Carruthers
Loan Officer
scarruthers@elcdc.com

Sonny Lujan
Loan Officer
slujan@elcdc.com

Gayle Cornick
Loan Packager
gcornick@elcdc.com

Mary Gallion
Portfolio Servicing
Administrator
mgallion@elcdc.com

Andrea Nevarez
Loan Closing
Administrator
anevarez@elcdc.com

Vaughn Vialpando
Closing and Portfolio
Manager
vvialpando@elcdc.com

Santa Fe Office
June Griffy
Loan Officer
jgriffy@elcdc.com

Las Cruces Office
1990 E. Lohman,
Suite 123
Las Cruces, NM 88001
(575) 524-6830
(575) 524-6885

Don Panagrossi
Loan Officer
dpanz@elcdc.com

El Paso Office
Mirella Killenbec
Loan Officer
mkillenbec@elcdc.com

www.elcdc.com

WELCOME TO THE SUMMER ISSUE OF OUR NEWSLETTER!

Secondary Market Intermediaries now ready to accept 504 loans for pooling

Capital continues to be a primary concern for local community banks. As part of the American Recovery and Reinvestment Act (also known as the Stimulus Bill), Congress authorized the Small Business Administration (SBA) to create a temporary program that provides a guarantee on an eligible pool of SBA 504 first liens.

The program was authorized for a period of two years from the date of bill passage - February 2009. The eligibility of each loan is dependent on the date of the SBA Debenture funding.

To be eligible, the Debenture must have been funded on or after February 17, 2009, and prior to February 16, 2011. The total guarantee allocation is \$3 billion.

Banks might be most interested in the 85% Solution option that allows the lender to sell an 85% participation to an investment bank through SMA. There is NO

COST to the lender for utilizing SBA's services.

BENEFITS TO LENDERS:

(1) Premium income on the 85% participation sold to the Pool Originator; and (2) long term servicing income of at least .50% paid to the Seller on the sold portion of each loan (normally 85%).

With the ability to sell 85% of each loan, banks will invest a lesser amount of capital into each transaction.

That means some banks that were unable to fund high dollar real estate loans for their small business customers will now be able to get back into the market. For banks that were limited in their fundings due to capital restraints, they will be able to leverage their funds and make four (4) or five (5) similar sized loans for the same capital cost as one unsold loan.

Call our SBA 504 loan professionals at ELCDC for additional information on how to contact a Secondary Market Intermediary. **Don't miss page 2! ▶**

Recently Funded Businesses

Motel funded at \$720,000

Location: Las Cruces
Bank Partner: Western
 Commerce Bank
Total Project: \$2,375,000
Jobs Created: 5

Lawn & Garden Service funded at \$84,000

Location: Albuquerque
Bank Partner: New Mexico
 Educators FCU
Total Project: \$200,000

Janitorial & Carpet Cleaning Services funded at \$144,000

Location: Albuquerque
Bank Partner: New Mexico
 Bank & Trust
Total Project: \$345,000
Jobs Created: 3

ELCDC is ready to serve you!

ELCDC has over 75 years of combined commercial and consumer banking experience on staff and ready to serve you.

At ELCDC, that experience has assisted small businesses such as medical offices, hotels, home health care facilities, auto repair shops and more get the financing needed to start up or build their businesses.

If there is a project we can help you with, please let us know!

ELCDC is a non-profit certified development company authorized by the U.S. Small Business Administration (SBA) to manage the 504-loan program in all counties of New Mexico and El Paso County, Texas.

To date, ELCDC has approved 725 loans which, when leveraged, totals more than \$854,000,000. We have approved over \$286 million dollars in business financing projects around the state.

With experienced professionals in offices in Albuquerque, Las Cruces and Santa Fe, New Mexico and El Paso County, Texas, ELCDC is ready to help small business owners obtain fixed asset financing needed to grow their business using the SBA 504 Loan program.

Talk to the experienced lenders at ELCDC about your project today!

Recent Debenture Rates

	Apr. 2020	May 2010	June 2010
10-year Debenture Rates *	---	4.607%	---
20-year Debenture Rates	5.774%	5.523%	5.29%

*10-year 504 Debentures price and fund every other month.