



WELCOME TO THE SUMMER ISSUE OF OUR NEWSLETTER. REMEMBER TO VISIT OUR WEBSITE FOR CURRENT 504 LOAN RATES.

Welcome the new faces at ELCDC

We are pleased to welcome Gayle Cornick as our Loan Origination Packager and Jay Bajwa as the Sr. Portfolio and Closing Manager to the team at ELCDC.

Gayle Cornick previously worked as the office manager at an Albuquerque manufacturing firm. As the Loan Origination Packager, Gayle's duties include obtaining documentation to process a complete SBA 504-loan application package. As the Business Development Officers (BDOs) identify eligible application requests, Gayle gets the required pieces together by working directly with the borrower and/or banker. On a daily basis, Gayle is the primary back up support for the Albuquerque based BDOs and fills in as needed to help the Las Cruces office staff. Gayle welcomes calls from bankers and is happy to answer questions from prospects about the SBA 504-loan program.

Jay Bajwa is very familiar with SBA loan programs having worked for 25 years at banks in Minnesota, Nevada and New Mexico. At ELCDC, Jay's focus in the Closing department is to review all appraisals and environmental reports submitted to SBA as well as reviewing financial statements and writing the "no adverse change" memo for loans going to funding. In Portfolio Servicing, Jay handles complex servicing activities such as subordinations, assumptions, chronic delinquencies and workouts as well as overall risk rating ELCDC's loan portfolio. Please feel free to call Jay with questions regarding 504-loans that have funded with ELCDC.

Both Gayle and Jay are great additions to our team at ELCDC...Welcome!

There is no better time for the SBA 504 loan program.

As the economy slows, banks are modifying how they review new deals. Compared to recent years, banks have begun changing their focus and are now looking to mitigate the amount of risk they are willing to take. Yet, businesses are still expanding and looking for options to finance their real estate purchases. The 504-loan program is able to provide a solution that helps both bankers and business owners meet their changing needs. Business owners can acquire commercial real estate with as little as 10% down and get a fixed, long-term interest rate. Banks can mitigate their risk with a 50% loan to value (LTV) first mortgage collateral position and, the bank helps an existing customer continue to grow!

According to a study commissioned by the National Association of Development Companies (NADCO), the economic impact of the 504-loan program has many facets. The following statistics highlight the overall impact that the 504-loan program has had on the U.S. economy:

- 77% of businesses that used the 504-loan program reported increased revenues within two years of the start of the 504 loan.
- 62% of the businesses reported job growth within the first two years following loan funding.
- A survey of more than 15,000 businesses, who utilized the 504-loan program between 2003-2005, indicated a net growth of 54,000 jobs and about \$4.6 billion in added labor income.

The 504-loan program is the only SBA program that documents job creation and, it provides a conduit for banks who can offer their small business customer a way to acquire real estate and/or machinery and equipment with a useful life of at least 10 years. In most cases, the business owner injects as little as 10% however, in some cases may be required to inject 20% equity toward eligible project costs. The benefits are endless and with the help of the knowledgeable staff at ELCDC, New Mexico bankers are finding constructive, creative ways to structure new deals.

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2008 SBA 504 Loan Overall Effective Interest Rates

	20 Year	10 Year
March 2008	6.46%	5.82%
April 2008	6.34%	N/A
May 2008	6.46%	6.10%
June 2008	6.65%	N/A
July 2008	6.85%	6.60%

* Starting August 1, 2008, there are new federal requirements for appraisals and environmental investigations. Please call Jay Bajwa for further details.

www.elcdc.com

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Statewide Lender Recognition - Thank you for your business - March 1, 2008 to June 30, 2008 Authorization Approvals

Bank Name	Bank loan Amount	Debenture Amount	Bank Name	Bank loan Amount	Debenture Amount
Bank of the West	\$3,967,200	\$1,990,000	Citizens Bank of Las Cruces	\$713,528	\$586,000
Western Commerce Bank	\$1,337,500	\$959,000	Western Bank	\$1,881,612	\$1,156,000
Century Bank	\$812,500	\$667,000	First Community Bank	\$779,247	\$563,000
Pioneer Bank	\$135,500	\$114,000	Hanmi Bank	\$1,300,000	\$907,000
Citizens Bank of Las Cruces	\$332,625	\$275,000	Years Totals:	\$11,312,212.00	\$7,263,000
Citizens Bank of Las Cruces	\$52,500	\$46,000			