

January 2009

*Lower Rio Grande Valley
& Corpus Christi District*

Kimberly K. Jones
Lower Rio Grande Valley
& Corpus Christi
District Director
kimberly.jones@sba.gov

Harlingen District Office
222 East Van Buren St.
Suite 500
Harlingen, TX 78550
Tele: (956) 427-8533
Fax: (956) 427-8537
www.sba.gov/tx/harlingen

Simon H. Castillo
Corpus Christi
Branch Manager
simon.castillo@sba.gov

**Corpus Christi
Branch Office**
3649 Leopard Street
Suite 411
Corpus Christi, TX 78408
Tele: 361-879-0017
Fax: 361-879-0764
www.sba.gov/tx/harlingen

Visit our Partners:

SBDC:
UT-Pan American – Edinburg
Tele: 956-292-7535
<http://ea.panam.edu/sbdc>
Del Mar College
Corpus Christi
Tele: 361-698-1021
www.delmar.edu/sbdc

ITEC - Brownsville:
Tele: 956-882-4119
<http://blue.utb.edu/wtce/iic/index.html>

SCORE:
Harlingen Chapter
956-427-8533
Corpus Christi Chapter
361-879-0017, x22
www.score-corpus-christi.org

WBC - McAllen:
Tele: 956-618-2828
www.scictx.org

VBOC - Edinburg:
Tele: 956-381-3361
<http://ea.panam.edu/vboc>

PTAC:
Brownsville:
<http://wtce.utb.edu/vptac/>
Tele: 956-882-4108
Corpus Christi:
www.delmar.edu/sbdc/ptac
Tele: 361-698-2221

Newsletter Contact:
Debbie Fernandez, BDS
Debbie.fernandez@sba.gov

All SBA programs and services are provided on a nondiscriminatory basis.

Lender Rankings – Fiscal Year 2009 October 1, 2008 – December 31, 2008

LRGV/CCBO Top Volume Lenders

1. 1 st Community Bank	6	\$259,500
2. ValueBank Texas	3	\$2,200,000
3. Wells Fargo Bank	2	\$360,000
4. Greater South Texas	2	\$267,200
5. Compass Bank	2	\$50,000
6. Innovative Bank	2	\$40,000
7. Superior Financial Grp	2	\$22,500
8. JP Morgan Chase	1	\$159,700
9. American Bank, N.A.	1	\$80,000

LRGV/CCBO Top Volume CDC's

1. Texas Certified CDC	2	\$468,000
2. North Texas CDC	1	\$878,000
3. Capital CDC	1	\$742,000
4. Accion Texas	1	\$572,000

LRGV/CCBO Top Volume Third Party 504 Lenders

1. American Bank , N.A.	2	\$1,170,448
2. Western Bank of Clovis	1	\$1,426,000
3. Zions First National Bank	1	\$1,028,680
4. Texas Champion Bank	1	\$269,000

SBA Announces New Lender Oversight Regulations

WASHINGTON – The U.S. Small Business Administration issued an interim final rule for new lender oversight regulations in its guaranteed loan program. The regulations, which take effect on January 12th, give SBA greater enforcement authority and increase transparency on how risk is evaluated.

The interim final rule codifies a new framework for SBA's lender oversight program to ensure that directions are clear and transparent to lenders and the public. It clarifies supervision and enforcement actions for all SBA lenders and partners including banks, Small Business Lending Companies, Certified Development Companies, Microloan Intermediaries, and the SBA's National Technical Assistance Providers network

“As the economy continues to face challenges, government accountability and transparency is essential,” said SBA Acting Administrator Sandy K. Baruah. “With the new lender oversight regulation, SBA is making a commitment to balancing the need for supervision with the flexibility to achieve our mission of providing capital to small businesses.”

SBA first published the proposed lender oversight regulations in October 2007. In response, the agency received nearly 300 public comments and met with lenders to address key issues. SBA took these comments seriously and revised the regulation. By implementing the changes as an interim final rule, SBA is responding to the market's need for increased oversight, yet still leaving the door open for additional public comment.

“Given the difficult economy, SBA must do whatever it can to protect small businesses and the nation's taxpayers from unnecessary risk,” said Baruah. “With improved oversight, SBA is taking action to reduce the potential for waste, fraud, and abuse in its loan programs.”

For more information on the interim final rule or to share your comments, visit www.regulations.gov. To learn more about SBA's guaranteed loan programs, visit www.sba.gov.

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Small Business Administration Information Notice 5000-1087

SUBJECT: New IRS Tax Verification Alternative

The Internal Revenue Service (IRS) has implemented a new expedited service through which the financial community can expeditiously confirm the income of a borrower during the processing of a loan application: Income Verification Express Service (IVES) program. Under IVES, the IRS can electronically provide tax return transcript, W-2 transcript and 1099 transcript information generally **within 2 business days** to a third party with the consent of the taxpayer.

The transcript information is delivered to a secure mailbox based on information received from a Form 4506-T. A \$4.50 fee is imposed on each transcript requested. It is expected that this process will replace the current process, which requires the manual pick-up and delivery of transcripts from the seven IRS Return and Income Verification Services (RAIVS) units located across the country. Under the new system, transcripts will be delivered electronically using the E-Services platform via a secure mailbox. To participate in the IVES program, lenders will need to register and identify employees to act as agents to receive electronic transcripts on the lender's behalf. To establish access to a secure mailbox, lenders will need to register, which can be done through the following IRS website: <http://www.irs.gov/individuals/article/0,,id=161649,00.html>. Additional information on IVES is also available from this website or contact leonard.fagan@sba.gov.

Small Business Administration Information Notice 5000-1088

SUBJECT: Identification of Correct Base Rate for 7(a) Loans

SBA Procedural Notice No. 5000-1081, "One Month LIBOR Plus 3 Percent Allowed as SBA Base Rate," described the background to the addition of a new Base Rate to 13 CFR 120.214(c). The interim final rule adding the new base rate to the regulation was published on November 13, 2008 (73 FR 67099). The purpose of this notice is to clarify how a lender locates the correct One Month London Interbank Offered Rate (LIBOR) rate or the Prime rate on a monthly basis. The modifications to SOP 50-10(5), Subpart B, Chapter 3, Paragraph 4 (Pages 145-151) that were included in SBA Procedural Notice No. 5000-1081 describing which Prime or One Month LIBOR rate is to be used read as follows:

"(4) ... The Prime or LIBOR rate will be that rate which is in effect on the first business day of the month, as identified in a national financial newspaper or newspaper website each business day. SBA publishes the Optional Peg Rate quarterly in the Federal Register. Base Rates will be rounded to two digits with .004 being rounded down and .005 being rounded up."

The same section of the SOP contains the following example:

"The rate of interest will change on the first calendar day of the adjustment period even though the rate may not be known until the second business day of that period. For example, if the first of the month is a Sunday, the base rate is the prime rate in effect on Monday. This rate will be reported in the Wall Street Journal on Tuesday, the third calendar day and second business day of the month."

In some cases, a national financial newspaper may be delayed in reporting the Base Rate for Prime or LIBOR. Thus, the rate reported by the newspaper on the first business day of the month may actually be the rate in effect a day or two earlier. The LIBOR is fixed each morning at 11 a.m. London time by the British Bankers Association, so some U.S. financial websites are able to post the current day's rate for LIBOR prior to 8 a.m. EST that same day. (Lenders should access such sites the first business day of the month to identify the correct LIBOR rate since LIBOR changes daily.)

The Base Rates for the month of December are the following:

Prime: **4.00 %** (as in effect on the first business day of December)

LIBOR: 1.91 % (as in effect on the first business day of December) + 3.0% = **4.91%**

SBA Peg Rate: **4.63%** (as in effect for the period between October 1, 2008 and December 31, 2008)

Other Important SBA Notices:

Information Notice 5000-1089: New SBA Form 1086 Secondary Participation Guaranty Agreement

Information Notice 5000-1090: 2nd Quarter "Peg" Rate and Maximum 504 Third Party Interest Rate

Go to http://www.sba.gov/aboutsba/sbaprograms/elending/notices/BANK_FY_09_NOTICES.html to view.