

WYOMING LENDER ALERT

January 2009

U.S. Small Business Administration

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SERVING WYOMING WELL

When courageous, hard-working settlers first came to Wyoming, they brought their families, belongings and dreams. Together, they built houses, schools, churches, businesses and worked with the land. Along the way, these same locals made an investment in their community and in their futures. They opened the doors to the Converse County Bank. Today we see new homes, schools, churches and businesses. You will find the ancestors of those original settlers still in the community, along with new faces, families, hopes and dreams. The SBA and Converse County Bank teamed up in 1990 to help provide part of that future.

The First National Bank of Buffalo has served Johnson County since 1885 and is the third officially chartered bank in Wyoming and the first north of the Platte River. Today it continues its tradition of community service and financial support to commercial and agricultural enterprises and private citizens. First National Bank has been using SBA guaranteed loans since 1971 to assist recreational activities, motels, drilling companies, well services,

among other types of business.

The First National Bank & Trust of Powell is fourth generation of a family owned bank. Dick Nelson, the grandson of S. A. Nelson founder of the bank, is now Chairman of the bank and is joined by his sons Andy and Ty in the bank's management. First National Bank & Trust was the only bank of five in Powell to survive the Great Depression. The bank is now the largest locally owned financial institution in the area. It has been a strong contributor to the growth and success of its communities through generous donations of funds and employee talent. First National Bank & Trust has used SBA guaranteed loans since late 1967. These loans assisted a variety of businesses from construction companies to car washes, well services, and other industries.

Hilltop National Bank opened for business on July 27, 1964. The bank was founded by nine local businessmen and employed seven full-time employees. It was one of only five financial institutions serving the Casper community at that time. On May 25, 1977, H. A.

"Dave" True purchased the bank. Now the bank has five additional branches, four in Casper and one in Glenrock, and 151 employees. Hilltop is proud of their local heritage and places a very high priority on being a good community partner. Bank employees donate thousands of hours every year to worthwhile community projects and deserving non-profit agencies. In 1992 Hilltop National Bank signed an agreement with SBA to process guaranteed loans. Hilltop National Bank has made SBA guaranteed loans to such businesses as restaurants, plumbing and heating companies, attorneys, doctors, dentists and many other types of business.

Banks in the state of Wyoming have many facets...but contributing to their communities is one of the most important.

SBA does not endorse any one bank as a provider of SBA guaranteed loans. This article is not an endorsement of any of the banks mentioned, but only acknowledges the banks' participation in SBA loan programs. A list of SBA lenders in Wyoming can be obtained online at www.sba.gov/

UPDATED INTERNAL REVENUE SERVICE (IRS) CONTACT INFORMATION AND 4506-T

This is to update the contact points and telephone numbers for IRS Service Centers which are to be used to request copies of IRS tax transcripts to verify business financial information included in SBA loan applications. This applies only to the 7(a) and 504 Loan Programs.

IRS contact information for tax transcripts associated with Form 1040 and Form W-2 is Ogden, P.O. Box 9941, Stop 6734, Ogden, UT 84409, Ben Johnson - Manager, (801) 620-6001 or Violet Henrie - Lead, (816) 620-7873.

vides contact information for transcripts associated with Form 1065 and Form 1120 at RAVIS Team Mail, P.O. Box 9941, Stop 6734, Ogden, UT 84409, Ben Johnson—Manager, (801) 620-6001 or FAX (801) 620-6922.

Lenders are reminded that all SBA 7(a) and 504 related requests for IRS tax transcripts must be submitted to IRS Service Centers using the new IRS Form 4506-T. A copy of Form 4506-T is available on SBA's Banking site (<http://www.sba.gov/banking/>). Please note

that SBA's logo must be included at the top of the form to ensure SBA related requests are expedited and to ensure there will be no charge for the transcripts.

Questions or concerns may be directed to IRS contact Cassandra L. Blackwell at (816) 325-3853, e-mail: Cassandra.L.Blackwell@irs.gov, Robert Shearer at (816) 291-9727, e-mail: Robert.G.Shearer@irs.gov, or SBA contact Lenn Fagan at (202) 205-6301, e-mail: leonard.fagan@sba.gov.

*IRS contact information for
tax transcripts associated
with Form 1040 and Form
W-2*

SBA INTRODUCES ITS ONLINE RESOURCE FOR BABY BOOMER GENERATION ENTREPRENEURS

The SBA has unveiled a new website geared to the 50-plus entrepreneur, providing useful information, links and resources vital to starting, growing and expanding a small business.

The new website at www.sba.gov/50plusentrepreneur features interactive information and links to help 50-plus entrepreneurs consider the benefits and rewards of business ownership, and to help them make informed choices about business ownership.

The SBA is working hard to increase opportunities for small businesses of the baby boomer generation at every stage of their business development through better technol-

ogy tools and effective services through the agency's district offices and resource partners. We believe 50-plus entrepreneurs will drive significant new business growth in the coming years.

Components of the new website include a self-assessment feature to help the aspiring entrepreneur determine his or her business readiness, information on borrowing and credit, and inspirational success stories from baby boomer entrepreneurs. The website will help users evaluate the reasons for business ownership after age 50, the risks involved, and how to devise a plan of action at every phase of busi-

ness development.

This is the first new offering under the structure of the re-launched Office of Entrepreneurship Education (OCC). OEE combines SBA's online education programs, business and community initiatives, and outreach to underserved markets under a single umbrella.

As baby boomers consider career and lifestyle shifts that extend beyond their work careers, tapping into the world of business ownership can allow them to leverage their flexibility, know-how and business acumen to go into business for themselves. Many have already joined the ranks of the nation's self-employed and small business owners.

*SBA is working hard to
increase opportunities for
small businesses of the baby
boomer generation*

CHOICE OF THREE INTEREST RATE BASES

Are your deposit costs higher than those the New York Prime allows you to charge on an SBA loan?

As a partial solution, SBA now allows the lenders to have a choice among the following three interest rate bases. Breaking away from the present ultra low New York Prime Interest Rate Base should give lenders better loan pricing options.

Now a lender can choose any one of the following three rate bases and to these interest rate bases, the lender can add the normal 2.25% and 2.75% spreads, depending on loan term.

As of January 5, 2009, the following were the allowed interest base rates:

- 1) New York Prime 3.25% + 2.25% = **5.50%** or 3.25% + 2.75% = **6.00%**
- 2) Federal Register "Peg Rate" 4.50% + 2.25% = **6.75%** or 4.50% + 2.75% = **7.25%**
- 3) LIBOR -- 30-day LIBOR Rate Plus 3.0% (As of January 5, 2009 - 30-day LIBOR = .43%) .43% + 3.00% = 3.43% + 2.25% = **5.68%**

or .43% + 3.00% = 3.43 + 2.75% = **6.18%**

(Key point—The first business day of the month was January 2nd, 2009. The Wall Street Journal (WSJ) could not and did not publish any of these rates until Monday, January 5th. Lenders need to obtain a copy of the WSJ published interest rates.) SBA determines the interest rate base for all three using WSJ first business day of the month published rates.

Remember that the 2.25% and 2.75% spread breaks at the 84th month in the loan term. If the loan is from 1-month to 84-months the spread is as much as 2.25%. If the loan term is 85-month or longer, then the spread can be as much as 2.75%. (Also remember, SBA encourages smaller loans from \$1 to \$50,000 which are more expensive to produce and therefore allows an even larger spread than the traditional 2.25% and 2.75%. Check the specific programs.)

A lender can find the Federal Register "Peg Rate" and the LIBOR rates by searching the popular Inter-

net search engines with those very words.

It will be up to the lender to determine which interest rate base will serve the lender's needs over the life of the loan term. Once an interest rate base is chosen for the SBA loan, it will remain unchanged for the life of the loan.

When submitting a new loan submission to SBA, please declare the interest rate base you want to use and fixed or variable interest rates. If variable, declare the interval for any rate changes.

When a question comes to mind, contact Dave Denke 307-261-6523, Steve Parker 307-261-6506, or Bob Auflick 307-261-6507. You are also encouraged to contact the Sacramento Processing Departments as needed. E-mail still works the best.

For Express, Patriot Express, and PLP loans SLPC@sba.gov or hien.nguyen@sba.gov

For Regular 7(a), Rural Lender Advantage, or CAP-Line Loans Jaques-tions@sb.gov or Mark Frost 916-735-1973.

A lender can choose any one of the following three interest rate bases and to these interest rate bases, the lender can add the normal 2.25% and 2.75% spreads, depending on loan terms.

(example for a 7 year loan)

	Option A	Option B	Option C
	NY Prime	Peg Rate	Libor + 3
Base	3.25%	4.50%	3.43%
7 Yr Adj	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>
Totals	6.00 %	7.25%	6.18%

Jan Libor rate 0.43

CALENDAR OF EVENTS

Jan 6	Women's Round-table, Newcastle	Jan 15	Women's Round-table, Powell	Jan 21	9am, MT Ready Talk, Fresno Svcs
Jan 7	Women's Round-table, Casper	Jan 20	Women's Round-table, Cody	Jan 22	Women's Round-table, Worland
Jan 13	6pm, Library, Surviving Tough Times	Jan 21	Women's Round-table, Wheatland		