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Comptroller of the Currency  
Administrator of National Banks

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US Department of the Treasury

## **A Web and Telephone Seminar**

# **SBA Lending Program and the American Recovery and Reinvestment Act of 2009**

*Small Business Lending Opportunities in a New Environment*

**Monday, September 21, 2009**

**PowerPoint Presentation**

**Appendixes: Additional Resources**

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# SBA Lending Programs and the American Recovery and Reinvestment Act of 2009

*Small Business Lending Opportunities  
in a New Environment*

Monday, September 21, 2009  
2:00 pm – 3:30 pm EDT

# SBA Lending Programs and the American Recovery and Reinvestment Act of 2009



## Presented by:

- Barry Wides, Moderator and Presenter  
Office of the Comptroller of the Currency
- Grady B. Hedgespeth, Presenter  
Small Business Administration
- Pat Thomson, Presenter  
Grow America Fund





## Speaker Biographies

Welcome by John C. Dugan

Opening Remarks by Barry Wides

PowerPoint Presentations of Presenters

Questions and Answers



# John C. Dugan



## **John C. Dugan**

*Comptroller of the Currency*

John C. Dugan was sworn in as the 29th Comptroller of the Currency on August 4, 2005.

The Comptroller of the Currency is the administrator of national banks and chief officer of the Office of the Comptroller of the Currency (OCC). The OCC supervises 1,900 federally chartered commercial banks and about 50 federal branches and agencies of foreign banks in the United States, comprising more than half the assets of the commercial banking system. The Comptroller also serves as a director of the Federal Deposit Insurance Corporation, the Federal Financial Institutions Examination Council, and the Neighborhood Reinvestment Corporation.

Prior to his appointment as Comptroller, Mr. Dugan was a partner at the law firm of Covington & Burling, where he chaired the firm's Financial Institutions Group. He specialized in banking and financial institution regulation. He also served as outside counsel to the ABA Securities Association.

He served at the Department of the Treasury from 1989 to 1993 and was appointed assistant secretary for domestic finance in 1992. While at Treasury, Mr. Dugan had extensive responsibility for policy initiatives involving banks and financial institutions, including the savings and loan cleanup, Glass-Steagall and banking reform, and regulation of government-sponsored enterprises. In 1991, he oversaw a comprehensive study of the banking industry that formed the basis for the financial modernization legislation proposed by the administration of the first President Bush.



# John C. Dugan



From 1985 to 1989, Mr. Dugan was minority counsel and minority general counsel for the U.S. Senate Committee on Banking, Housing, and Urban Affairs. There he advised the committee as it debated the Competitive Equality Banking Act of 1987, the Proxmire Financial Modernization Act of 1988, and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

Among his professional and volunteer activities before becoming Comptroller, he served as a director of Minbanc, a charitable organization whose mission is to enhance professional and educational opportunities for minorities in the banking industry. He was also a member of the American Bar Association's committee on banking law, the Federal Bar Association's section of financial institutions and the economy, and the District of Columbia Bar Association's section of corporations, finance, and securities laws. A graduate of the University of Michigan in 1977 with an A.B. in English literature, Mr. Dugan also earned his J.D. from Harvard Law School in 1981. Born in Washington, DC in 1955, Mr. Dugan lives in Chevy Chase, MD, with his wife, Beth, and his two children, Claire and Jack.



# Barry Wides



## **Barry Wides**

*Deputy Comptroller for Community Affairs*

Barry Wides is the OCC's Deputy Comptroller for Community Affairs, in which capacity he leads a department of community development professionals located in Washington, DC, and the four OCC districts. The Community Affairs staff is responsible for outreach to banks and their community partners, the administration of the "Part 24" public welfare investment authority, the development of policy, and the creation and distribution of educational materials on community development issues.

Prior to joining the OCC in 1999, Mr. Wides was Director of Affordable Housing Sales at Freddie Mac. He led a nationwide sales team responsible for developing products and strategies to achieve the company's congressionally mandated affordable housing goals. He previously served as Deputy Director of the Resolution Trust Corporation's Affordable Housing Program. Mr. Wides began his career in Washington as a presidential management intern and budget examiner at the Office of Management and Budget.

Mr. Wides is a Certified Public Accountant and holds a B.S. in accounting and an M.B.A. from Indiana University.





# Grady B. Hedgespeth



## **Grady B. Hedgespeth**

*Director, Financial Assistance  
Small Business Administration*

Grady B. Hedgespeth was appointed Director of Financial Assistance, Office of Capital Access, Small Business Administration (SBA), in May 2007. He is responsible for the product and policy development for the SBA's \$80 billion business lending portfolio. A former Secretary of Economic Affairs in Massachusetts, he is skilled in strategic planning, economic development, and corporate governance. Mr. Hedgespeth has spent most of his 30-year professional career in the private sector, primarily in financial services. He was Regional President for BayBank Boston and the founder and President of BankBoston Development Company, the nation's first bank-owned urban investment bank. Dedicated to community service, his volunteer efforts have focused on developing inner-city youth and nurturing multicultural marketplaces.



# Pat Thomson



## **Pat Thomson**

*President*

*Grow America Fund*

Pat Thomson is the President of the Grow America Fund, Inc., the small business lending company of the National Development Council (NDC). NDC is the oldest national nonprofit community development organization in the United States. Its mission is to increase the flow of capital to underserved urban and rural areas across the country for job creation and community development. The Grow America Fund is a community development bank authorized to make loans under the Small Business Administration's 7(a) program nationwide. Ms. Thomson has been a Director of the NDC since 1991. As President of the Grow America Fund, she oversees all lending operations of the Fund, which is also a Certified Development Financial Institution.

Prior to serving in that position, Ms. Thomson provided technical assistance to cities, nonprofits, and banks to secure and structure financing for community and economic development projects. Ms. Thomson also is an instructor of finance classes for economic development professionals on such topics as small business and real estate lending. Prior to joining the NDC, Ms. Thomson worked for the North Carolina Department of Commerce in community economic development. She received a B.A. degree from Duke University and a master's degree from the University of North Carolina at Chapel Hill.



# Welcome



John C. Dugan  
Comptroller of the Currency



# Opening Remarks



Barry Wides

Deputy Comptroller for Community Affairs





## Small Business Administration Lending Programs, Recovery Act Implementation, and Other New Initiatives

**Grady B. Hedgespeth**

*Director, Financial Assistance  
Small Business Administration*



# Topics to be Covered



- SBA's Goals Under the American Recovery and Reinvestment Act
- Changes to SBA 7(a) and 504 Certified Development Company (CDC) Loan Programs
- America's Recovery Capital (ARC) Loan Program
- Secondary Markets
- Impact of Changes



# SBA 7(a) Loan Program



- SBA authorized to provide loan guaranties to small business lenders
- Maximum loan amount \$2 million  
(maximum guaranty amount is \$1.5 million)
- Use of proceeds: working capital, plant and equipment, and business acquisitions
- Borrower must meet “credit elsewhere” test



# SBA 7(a) Loan Program Basics

## Rates and Terms



### Standard 7(a)

- Rates
  - Loan maturity less than 7 years, base rate plus 2.25%
  - 7 years or more, base rate plus 2.75%
- Terms
  - Working capital, 5 to 10 years
  - Machinery and equipment, not to exceed life expectancy
  - Real estate (existing and new construction) up to 25 years





# Recovery Act Changes to 7(a) Program



- Elimination of upfront borrower guaranty fees (2.0% to 3.75%)
  - Standard lender origination fees are allowed
  - Lender paid 55 basis points; ongoing fee is still required
- Loan guarantees up to 90% from 75% - 85% (excluding loans with terms  $\leq$  1 year and for SBA Express, which remains at 50%)
- As long as funding lasts (projected to be approximately December 2009)



# SBA 504 Loan Program



- Used for long-term, fixed assets only
- Bank loan (no SBA guaranty) has first lien (50% LTV)
- Certified Development Company (CDC) loan has second lien (40% LTV)
  - backed by SBA-guaranteed debenture (100% guaranty)
- Business retains capital for long-term growth



# SBA 504 Loan Program Basics

## Rates and Terms



- Rates
  - Bank 1<sup>st</sup> mortgage is a variable or a fixed loan
  - CDC 2<sup>nd</sup> (debenture) is a 10- or a 20-year fixed rate loan  
Monthly sale of debenture pools to investors establishes rate
- Terms
  - Bank 1<sup>st</sup> mortgage is a 20-25 year loan
  - CDC 2<sup>nd</sup> (debenture) is a 10-20 year loan



# Recovery Act Changes to 504 Program



- Temporary fee eliminations
  - e.g., the 1.5% application or “processing fee” typically charged by the CDC on the gross loan to the borrower has been temporarily eliminated (expected to be in effect through December 31, 2009)
- Some refinancing now permitted—A permanent change



# SBA 504 Refinance



- Section 504 of the Recovery Act
- Provides for debt that would be eligible under the 504 program to be refinanced as part of a new 504 transaction for a business expansion
- Up to 50% of the new project total can be included as a refinance of other debt
  - Works out to 1/3 : 2/3 ratio of refinanced to new project debt
  - Has to be from a related business



# Example of 504 Refinance Loan



- Ms. Business-owner has a car wash with a \$500,000 mortgage rate at 9%
- Wants to open a second car wash that has a project cost of \$1,000,000, with a projected rate of 5.5% on the debenture
- Total new 504 project is \$1,500,000
  - \$ 150,000 equity from owner (10%)
  - \$1,350,000 total amount to be financed (90%)
    - \$750,000 1<sup>st</sup> mortgage (7% rate on 50% of total program cost)
    - \$600,000 504 2<sup>nd</sup> lien (5.5% rate on the debenture at 40% of total program cost)



# SBA America's Recovery Capital (ARC) Loan Program



- New temporary SBA loan program that offers stabilization financing for existing, qualifying debt of “viable small businesses”
- Deferred payment loans of up to \$35,000
- 100% guaranteed—SBA pays participating lenders a monthly interest rate throughout the term of the loan
- After the 12-month deferral period, borrowers pay back the loan principal over a five-year period
- Program runs through September 30, 2010, or end of funding
- Approximately 600 lenders participating; more than 2,000 loans



# America's Recovery Capital (ARC) Loan Considerations



What is a viable small business?

**Viable** means the business is an established, for-profit business with evidence of profitability or positive cash flow in at least one of the past two years. Future cash flow projections based on reasonable growth should show that the business will be able to meet current and future debt obligations, including future SBA ARC loan repayments.





# America's Recovery Capital (ARC) Loan Considerations (cont.)



- Qualifying Loans/Debts
  - Secured and unsecured conventional loans (mortgages, term, and revolving lines of credit)
  - Capital leases
  - Notes payable to vendors/suppliers/utilities
  - 504 first mortgage loans
  - Credit card obligations
- SBA 7(a) loans and 504 debentures approved before February 17, 2009 do not qualify
- 504 first mortgages do qualify



# Secondary Market Programs



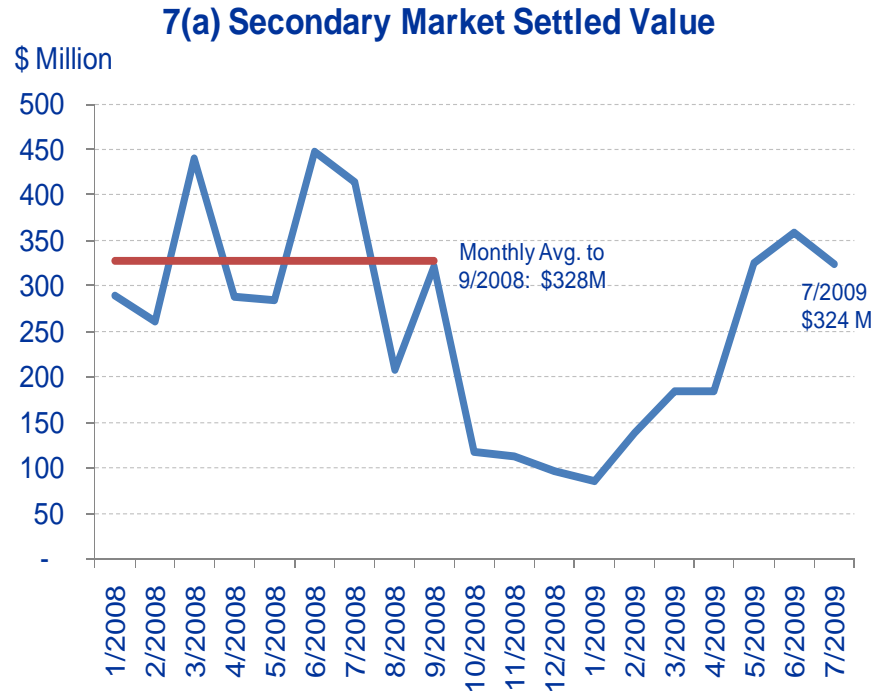
- \$15 billion from the Troubled Asset Relief Program (TARP) to purchase:
  - 7(a) loan pools and 504 debentures issued after July 1, 2008
  - Newly guaranteed 504 first mortgage pools (when established)
- Term Asset-Backed Securities Loan Facility (TALF) loans to investors to purchase:
  - 7(a) loan pools and 504 debentures issued after January 1, 2008
  - \$419 million in SBA securities pledged thru July 2009
  - “TALF Glow” has lowered 504 debenture prices



# Monthly Secondary Market Metrics: July 31, 2009



## Volume



- **Recovery In Progress:** Over the past three months, the average monthly loan volume settled from lenders to broker-dealers in the 7(a) secondary market has been \$335 million, moving the market closer to pre-recession averages. In July 2009, \$324 million settled in this market.

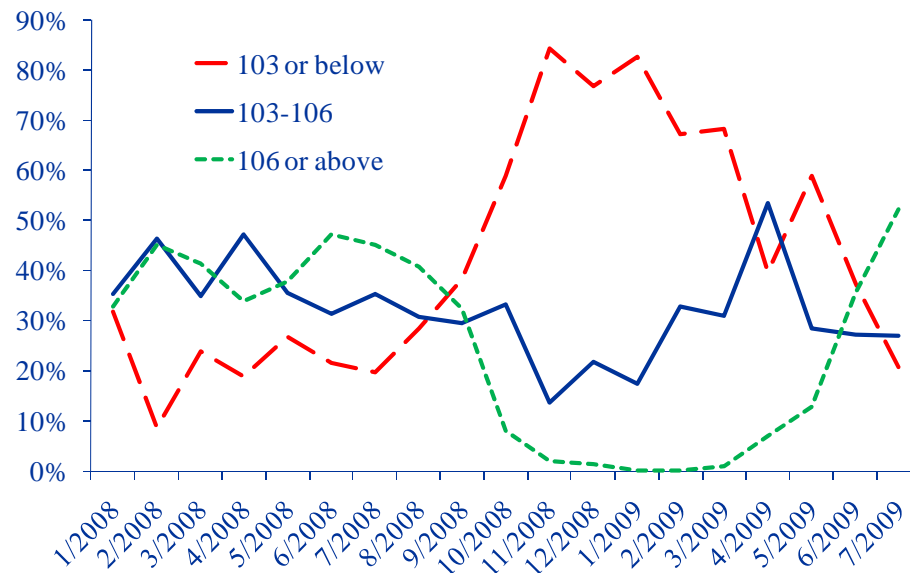


# Monthly Secondary Market Metrics: July 31, 2009



## Pricing

7(a) Secondary Market Premium Ranges



- **Premiums Recovering:** Premiums have begun to recover in the 7(a) secondary market.
- **Pricing Improving:** In July, 67% of the loans settled, representing over 50% of the total dollars, were sold at or above premiums of 106, the highest share since October 2007. By comparison, in January and February, no loans sold at premiums at or above 106.



# Other Actions Taken by SBA



- Temporary alternate size standard for 7(a)
  - Announced in May—same alternate as the 504 CDC program
  - In effect through September 30, 2011
  - A small business can qualify in one of two ways:
    - Falls below normal size standard, or
    - Has less than \$8.5 million in net worth, and averages net income of less than \$3 million (for past two years), consistent with the CDC Program
  - 504 Impact
    - Make an estimated 70,000 additional businesses eligible



# The Dealer Floor Plan Pilot Initiative



- A pilot 7(a) loan program—Expires September 30, 2010
- Inventory financing for automobiles, boats, RVs, motorcycles, etc.
- Loan size—\$500,000 - \$2 million
- Guarantees range from 60% - 75%, depending on collateral and advance rate
- Pricing—Base rate plus 2¼%; 2% maximum fee limit waived
- Any SBA eligible lender can participate



# 7 (a) Loan Guaranties: THE FACTS!



## **SBA “*Brand Promise*”: Send us a clean purchase package; answer in 45 days or less**

- In June 2007, the average guarantee was in inventory 279 days
- Introduced new “Brand Promise” November 1, 2007 in the Herndon processing center; now in all centers
- Now, our “Brand Promise” cycle time averages < 30 days
- Even incomplete packages are usually resolved in < 60 days
- SBA pays 95% of guaranties in full—almost all within 60 days



# American Recovery and Reinvestment Act Impact



- Significant and increased loan activity
  - Through August, SBA has supported nearly \$9.5 billion in lending to small businesses
  - Since the signing of the American Recovery and Reinvestment Act (ARRA), weekly loan dollar volumes have risen over 59% in the 7(a) and 504 programs, compared to the weeks preceding ARRA's passage
  - ARRA loan activity will result in the creation or retention of 288,000 jobs
- Lenders joining or returning to the programs
  - From February 17 to August 28, 848 lenders that had not previously made a loan since October 2008 made 7(a) loans
  - Over half had not made a loan since at least 2007
- Broad-based support to small businesses
  - Rural businesses (25%)
  - Women-Owned (19%)
  - Minority-Owned (20%)
  - Veteran-Owned (9%)





# Contact Information



## SBA Headquarters

Grady Hedgespeth, Director, Office of Financial Assistance  
7(a), 504, and Microloan Programs, [grady.hedgespeth@sba.gov](mailto:grady.hedgespeth@sba.gov)

Janet Tasker, Director, Office of Risk Management  
ARC Loan Program, [janet.tasker@sba.gov](mailto:janet.tasker@sba.gov)

Bryan Hooper, Director, Office of Credit Risk Management  
Lender and CDC Risk Ratings and Lender and CDC Portfolio  
Compliance and Risk Reviews, [bryan.hooper@sba.gov](mailto:bryan.hooper@sba.gov)

Sloan Coleman, Regulatory Specialist and Financial Analyst  
Dealer Floor Plan, [w.coleman@sba.gov](mailto:w.coleman@sba.gov)





**Pat Thomson**

*President*

*Grow America Fund*

## Small Business Lending in the New Environment



# Topics to be Covered



- Who We Are
- How We Operate
- Lending Examples Under the American Recovery and Reinvestment Act
- Managing in a Down Market



# Grow America Fund



- Mission—Provide credit in low-income communities
- Small Business Lending Company (SBLC)
- Making SBA 7(a) loans
- Preferred lender
- Community Development Financial Institution (CDFI) designation from the U.S. Department of the Treasury



# NDC and GAF



- Grow America Fund (GAF) is a subsidiary of the National Development Council (NDC)
  - National nonprofit
  - Working in low-income and distressed neighborhoods
  - Twenty-five cities across the country
  - \$12 - \$15 million loans in 2009



# GAF's Business Model



- SBA 7(a) loans to operating businesses
- Guaranteed by SBA at 75% - 90% of loan amount
- Source of capital
  - Local government investment  
(25%—unguaranteed portion)
  - Borrowed funds  
(75%—guaranteed portion)



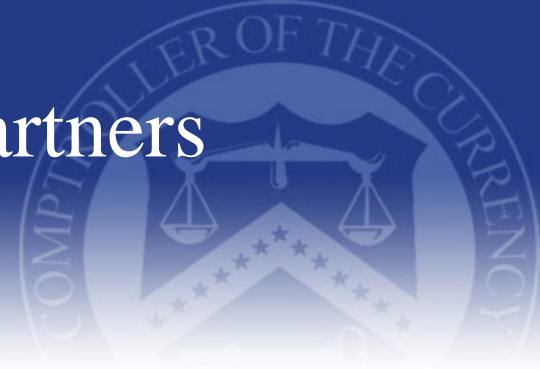
# Why Banks Lend to GAF



- GAF is a Community Development Financial Institution (CDFI)
- Secure—Loan backed by SBA guarantee
- Returns from interest earned
- Community Reinvestment Act (CRA) benefits
- Creating partnerships
  - Sources of deals
  - Benefit of keeping the business relationship for other lines, i.e., lines of credit and deposits



# Why Banks Should Identify Other Partners



- Provide subordinated financing—Reducing risk to bank
  - Local revolving loan funds
  - Certified development companies
- Providing referrals
  - Economic development agencies
- CRA benefits





# How To Identify Other Partners



- Community Development Financial Institutions  
[www.cdfifund.gov](http://www.cdfifund.gov)
- Certified Development Companies  
National Association of Development Companies (NADCO)  
[www.nadco.org](http://www.nadco.org)
- National Association of Government Guaranteed Lenders (NAGGL)  
[www.naggl.org](http://www.naggl.org)



# Typical 7(a) Loan



- Typical loan—\$300,000
  - Ranges from \$50,000 - \$2,000,000
- Existing operating business
- Weak collateral
- Located in a low-income neighborhood



# Loan—Startup Medical Practice



- 7(a) loan of \$240,000
- Equipment and working capital
- Lack of collateral
- No historical cash flow, only based on projected cash flow
- Received a 90% SBA guarantee



# America's Recovery Capital (ARC) Loan



- Existing borrower, small manufacturer
- Drop in sales of 22%
- ARC loan of \$35,000 will pay three months of other bank debt that financed equipment
- ARC loan deferred for 12 months, paid over the next five years, interest free
- 100% guaranteed by SBA, interest paid by SBA is prime plus 2%
- Company taken steps to improve position
  - Cut costs
  - New sales strategy



# Surviving the Credit Crunch



- Watching existing borrowers
- Watching new loans
- Watching the bottom line



# Watching Existing Borrowers



- Looking for signs of trouble
- Assisting existing borrowers with
  - Loan restructuring
  - Additional working capital
  - Refinancing existing debt
- Using existing and new lending programs
- Assisting only businesses that are honest and upfront about their problems



# Watching New Loans



- Increasing volume of loan requests
- Areas of growth
  - Stimulus bill
    - Energy
    - Medical data
    - Dealer floor plans
  - Existing lines of credit being closed
- Don't catch falling knives



# Watching the Bottom Line



- Lower earnings
  - Lower collections
  - Higher losses and write-offs
- Identify trends early
- Potential new revenue sources
- Cut costs







# Regulatory Considerations for SBA Loan Programs

**Barry Wides**

*Deputy Comptroller for OCC Community Affairs*



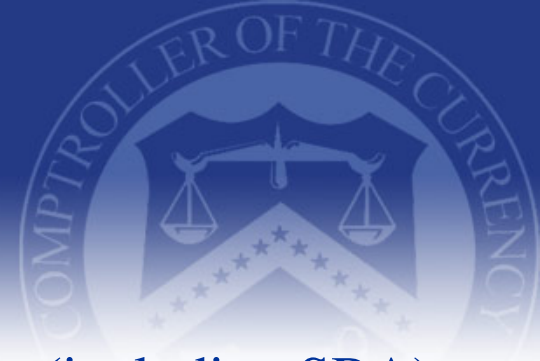
# Topics to be Covered



- Regulatory Benefits of Loan Guarantees
- Risk Considerations—7(a) and 504 Loan Programs
- Risk Considerations—America’s Recovery Capital (ARC) Loan Program
- CRA Considerations



# SBA Lending: Regulatory Benefits



- Loans guaranteed by U.S. government or its agencies (including SBA)
  - Excluded from legal lending limit calculation (12 CFR 32)
  - Excluded from supervisory LTV limits, provided the amount of the guaranty is at least equal to the portion of the loan that exceeds the supervisory LTV limit (see “Excluded Transactions” in 12 CFR 34, Subpart D-Real Estate Lending standards)
  - Portion of the loan that is guaranteed would receive a zero percent capital risk weight (see 12 CFR Part 3 Appendix A Section 3(a)(1)(iv))



# Risk Considerations: SBA 7(a) Program



- SBA serves borrowers who may not qualify for conventional loans, so default rates may be higher (SBA “credit elsewhere” test)
- SBA has standard requirements to mitigate default and risk of loss
  - Lenders hold first lien on collateral
  - Lenders must provide an in-depth credit analysis, including a review of projected cash flows, to confirm ability to repay
- Lenders must adhere to SBA’s operating procedures to secure the full guaranty payout in the event of default
  - Adopt procedures and apply guidelines to all loans to avoid denial of a claim



# Risk Considerations: SBA 504 Program



- Delay between funding the bank loan and funding of the Certified Development Company (CDC) loan
  - Banks typically provide an interim loan to bridge the timing of the CDC debentures, temporarily resulting in loans with a 90% LTV
  - If 504 loans exceed the supervisory LTV limits prescribed in 12 CFR part 34, then loans must be included in the aggregate amount of all loans in excess of that limit and reported
    - Aggregate amount should not exceed 100% of an institution's capital
- When providing construction financing, lenders should secure additional collateral beyond the real estate or equipment being financed
  - Cross-collateralize with other business assets
  - Personal guarantee from business owner



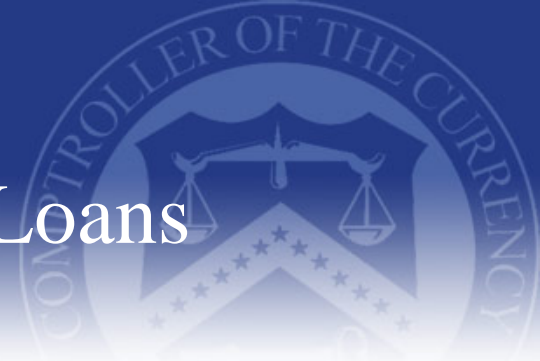
# Risk Considerations: America's Recovery Capital (ARC) Loan Program



- ARC Program provides loans to established, viable, for-profit small businesses to make principal and interest payments on qualifying small business loans
- Underwriting must demonstrate that small businesses are viable but experiencing temporary immediate financial hardship



# SBA Underwriting Guidelines for America's Recovery Capital (ARC) Loans



- Established business (no start-ups)
- For-profit business with evidence of profitability or positive cash flow in at least 1 of past 2 years
- Analysis of financial statements for past 2 years
- Future quarterly cash flow projections based on reasonable growth over next 2 years should show business can meet current and future debt obligations, including ARC loan and operating expenses
- Acceptable business credit score as determined by SBA using LiquidCredit
- Borrower certification
  - Currently no more than 60 days past due on any loan being paid with an ARC loan



# CRA Considerations



- SBA loans may be eligible for CRA consideration
  - Lending test is weighted more heavily in large bank CRA examinations
  - Increasing volume of loans to small businesses





# CRA Considerations: Large Banks



- Large Banks\*
  - Loans of \$1,000,000 or less to businesses, including SBA loans, receive positive consideration in the lending test
    - Report as “small loan to a business”
    - Identify and report which “small loans to businesses” have been made to “small businesses” using revenues of \$1 million or less as the cutoff for small business
  - Loan greater than \$1,000,000
    - Evaluated as a community development (CD) loan under the Lending Test if the loan meets the CRA CD definition

\*Banks with assets >\$1.109 billion as of December 31 for the prior two years



# CRA Considerations: Small Banks



- Small Banks\* – Lending Test Only
  - Primary loan products are evaluated
  - SBA loans included in population of business loans
  - Examiners are interested in determining whether business loans are made to “small” businesses, based on revenue size of the business receiving the loan, and where the loans are made in the assessment area

\*Banks with assets \$277 million or less as of December 31 for the prior two years



# CRA Considerations: Intermediate Small Banks



- Intermediate Small Banks\*
  - Primary loan products are examined
  - SBA loans are included in population of business loans
  - Examiners are interested in determining whether business loans are made to “small” businesses, based on revenue size of the business receiving the loan, and where they are made
  - Lending test versus community development test

\*Banks with assets  $>$  \$277 million and  $\leq$  \$1.109 billion as of December 31 for the prior two years



# OCC Community Affairs Field Locations



## Central

Paul Ginger (Chicago, IL)  
(312) 360-8876

Norma Polanco-Boyd (Cleveland, OH)  
(216) 274-1247 x274

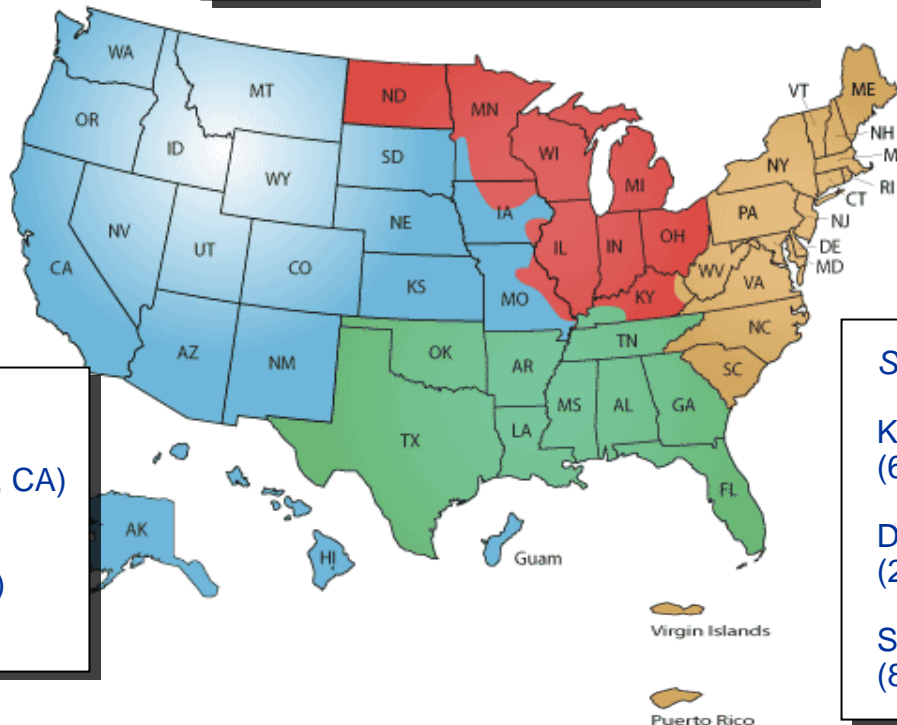
## Northeastern

Bonita Irving (Boston, MA)  
(617) 854-6547

Denise Kirk-Murray (New York, NY)  
(212) 790-4053

Vonda Eanes (Charlotte, NC)  
(704) 350-8377

- Central District
- Northeastern District
- Southern District
- Western District



## Western

Susan Howard (Glendale, CA)  
(818) 240-5175

Dave Miller (Denver, CO)  
(720) 475-7670

## Southern

Karol Klim (Atlanta, GA)  
(678) 731-9723 x252

David Lewis (Dallas, TX)  
(214) 720-7027

Scarlett Duplechain (Houston, TX)  
(832) 325-6952



# Questions



## Appendix A

### Additional Resources

#### Office of the Comptroller of the Currency (OCC)

SBA 504 Loan Program: Small Businesses' Window to Wall Street, *Community Developments Insights*, February 2006

[www.occ.treas.gov/cdd/Insights\\_2-06.pdf](http://www.occ.treas.gov/cdd/Insights_2-06.pdf)

The SBA's 7(a) Loan Program: A Flexible Tool for Commercial Lenders, *Community Developments Insights*, September 2008

[www.occ.treas.gov/cdd/Insights-SBAs7\(a\).pdf](http://www.occ.treas.gov/cdd/Insights-SBAs7(a).pdf)

Community Development Newsletter on Small Business Banking, Winter 2003

[www.occ.treas.gov/cdd/CD\\_winter03/cd\\_header.html](http://www.occ.treas.gov/cdd/CD_winter03/cd_header.html)

Small Business Resource Guide

[www.occ.treas.gov/cdd/SBRG09032003.htm](http://www.occ.treas.gov/cdd/SBRG09032003.htm)

Small Business and Microenterprise Article Archive

[http://www.occ.gov/cdd/ca\\_archive\\_sb.htm](http://www.occ.gov/cdd/ca_archive_sb.htm)

#### Other Treasury Resource

Community Development Financial Institutions

[www.cdfifund.gov](http://www.cdfifund.gov)

#### OCC CRA Resources

General Information on CRA

[www.occ.treas.gov/crainfo.htm](http://www.occ.treas.gov/crainfo.htm)

Contact Information for OCC's Community Affairs Officers

<http://www.occ.gov/cdd/contacts.htm>

#### Other CRA Resources

January 2009 Interagency Questions & Answers Regarding Community Reinvestment

[www.ffiec.gov/cra/qnadoc.htm](http://www.ffiec.gov/cra/qnadoc.htm)

CRA Loan Data Collection Grid, rev. September 2006

<http://dallasfed.org/ca/pubs/craloan.pdf>

Banker's Guide to CRA, September 2005

<http://dallasfed.org/ca/pubs/quickref.pdf>

## **Appendix A**

### **Additional Resources**

#### **Small Business Administration (SBA)**

SBA District Offices

[www.sba.gov/localresources/index.htm](http://www.sba.gov/localresources/index.htm)

SBA Information for Banks

[www.sba.gov/banking/](http://www.sba.gov/banking/)

SBA Programs and the American Recovery and Reinvestment Act

[www.sba.gov/recovery/index.html](http://www.sba.gov/recovery/index.html)

SBA Regulations

<http://www.sba.gov/index.html>

SBA 7(a) and SBA 504 Standard Operating Procedure (SOP), SOP 50 10 5(A)

[www.sba.gov/idc/groups/public/documents/sba\\_homepage/serv\\_sops\\_50105a.pdf](http://www.sba.gov/idc/groups/public/documents/sba_homepage/serv_sops_50105a.pdf)

SBA Certified Development Companies

[http://www.sba.gov/localresources/district/or/OR\\_ORCDC.html](http://www.sba.gov/localresources/district/or/OR_ORCDC.html)

SBA America's Recovery Capital (ARC) Loan Program Procedural Guidance and other information

[www.sba.gov/aboutsba/sbaprograms/elending/RECOVERY\\_INFO\\_LENDERS.html](http://www.sba.gov/aboutsba/sbaprograms/elending/RECOVERY_INFO_LENDERS.html)

SBA Small Business Investment Company (SBIC)

[www.sba.gov/aboutsba/sbaprograms/inv/index.html](http://www.sba.gov/aboutsba/sbaprograms/inv/index.html)

#### **Industry Trade Associations**

National Association of Development Companies (NADCO)

[www.nadco.org](http://www.nadco.org)

National Association of Government Guaranteed Lenders (NAGGL)

[www.naggl.org](http://www.naggl.org)

National Small Business Association (NSBA)

[www.nsba.biz](http://www.nsba.biz)

## Appendix B

### CRA LOAN DATA COLLECTION GRID - 2009

#### Loans Made to For-Profit Entities

Type of loan		Small business	HMDA	Community Development	Not collected
Non-real estate secured	Loan to a for-profit entity not secured by real estate and equal to or less than \$1 million. <sup>A</sup>	X			
	Loan to a for-profit entity not secured by real estate and greater than \$1 million with a primary purpose consistent with the definition of community development. <sup>B</sup>			X	
	Loan to a for-profit entity not secured by real estate and greater than \$1 million without a primary purpose consistent with the definition of community development.				X
Nonfarm, nonresidential real estate secured	Permanent loan to a for-profit entity secured by nonfarm, nonresidential real estate and equal to or less than \$1 million. <sup>A</sup>	X			
	Permanent loan to a for-profit entity secured by nonfarm, nonresidential real estate and greater than \$1 million with a primary purpose consistent with the definition of community development. <sup>B</sup>			X	
	Permanent loan to a for-profit entity secured by nonfarm, nonresidential real estate and greater than \$1 million without a primary purpose consistent with the definition of community development.				X
	Construction or development loan to a for-profit entity secured by nonfarm, nonresidential real estate with a primary purpose consistent with the definition of community development (no dollar limit).			X	
	Construction or development loan to a for-profit entity secured by nonfarm, nonresidential real estate without a primary purpose consistent with the definition of community development.				X
Residential real estate secured	Permanent loan to a for-profit entity secured by and made for the purpose of purchasing a 1-4 family dwelling, including manufactured housing.		X		
	Permanent loan to a for-profit entity secured by and made for the purpose of purchasing a multifamily dwelling with a primary purpose consistent with the definition of community development.		X	X	
	Permanent loan to a for-profit entity secured by and made for the purpose of purchasing a multifamily dwelling without a primary purpose consistent with a definition of community development.		X		
	Construction and other temporary financing to a for-profit entity secured by residential real estate with a primary purpose consistent with the definition of community development.			X	

Source: CRA Loan Data Collection Grid published by the Federal Reserve Bank of Dallas.

Footnote B added by the OCC.

<sup>A</sup> Small farm loan data are collected on loans of \$500,000 or less if (1) the loan is secured by farmland (including farm residential and other improvements) or (2) the loan is used to finance agricultural production and other loans to farmers.

<sup>B</sup> If this loan was made by an Intermediate Small Bank (ISB), it does not need to exceed \$1 million; See Q&A \_\_. 12 (h) – 3.



## Appendix B

### CRA LOAN DATA COLLECTION GRID - 2009

#### Loans Made to For-Profit Entities (continued)

Type of loan		Small business	HMDA	Community Development	Not collected
Residential real estate secured (continued)	Construction and other temporary financing to a for-profit entity secured by residential real estate without a primary purpose consistent with the definition of community development.				X
	Refinance of a loan to a for-profit entity where a residence is taken as collateral as an abundance of caution. The new loan must satisfy and replace an existing loan, and both the existing and new loans must be secured by a lien on a dwelling. <sup>A</sup> (Beginning 1/1/04)	X	X		
	Refinance of a loan to a for-profit entity where a residence is taken central to the extension of credit. The new loan must satisfy and replace an existing loan, and both the existing and new loans must be secured by a lien on a dwelling. (Beginning 1/1/04)			X	

#### Loans Made to Nonprofit Entities

Non-real estate secured	Loan to a nonprofit entity secured by production payments but not real estate in an amount equal to or less than \$1 million. <sup>A</sup>	X			
	Loan to a nonprofit entity secured by production payments but not real estate and greater than \$1 million with a primary purpose consistent with the definition of community development. <sup>B</sup>			X	
	Loan to a nonprofit entity not secured by real estate or production payments with a primary purpose consistent with the definition of community development (no dollar limit).			X	
	Loan to a nonprofit entity not secured by real estate or production payments without a primary purpose consistent with the definition of community development.				X
Nonfarm, nonresidential real estate secured	Permanent loan to a nonprofit entity secured by nonfarm, non-residential real estate or production payments and equal to or less than \$1 million. <sup>A</sup>	X			
	Permanent loan to a nonprofit entity secured by nonfarm, non-residential real estate and greater than \$1 million with a primary purpose consistent with the definition of community development. <sup>B</sup>			X	
	Construction or development loan to a nonprofit entity secured by nonfarm, nonresidential real estate with a primary purpose consistent with the definition of community development (no dollar limit).			X	
	Construction or development loan to a nonprofit entity secured by nonfarm, nonresidential real estate without a primary purpose consistent with the definition of community development.				X

Source: CRA Loan Data Collection Grid published by the Federal Reserve Bank of Dallas.  
Footnote B added by the OCC.

<sup>A</sup> Small farm loan data are collected on loans of \$500,000 or less if (1) the loan is secured by farmland (including farm residential and other improvements) or (2) the loan is used to finance agricultural production and other loans to farmers.

<sup>B</sup> If this loan was made by an Intermediate Small Bank (ISB), it does not need to exceed \$1million; See Q&A \_\_. 12 (h) – 3.

## Appendix B

### CRA LOAN DATA COLLECTION GRID - 2009 Loans Made to Nonprofit Entities (continued)

Type of loan		Small business	HMDA	Community Development	Not collected
Residential real estate secured	Permanent loan to a nonprofit entity secured by and made for the purpose of purchasing a 1-4 family dwelling, including manufactured housing.		X		
	Permanent loan to a nonprofit entity secured by and made for the purpose of purchasing a multifamily dwelling with a primary purpose consistent with the definition of community development.		X	X	
	Permanent loan to a nonprofit entity secured by and made for the purpose of purchasing a multifamily dwelling without a primary purpose consistent with the definition of community development.		X		
	Construction and other temporary financing to a nonprofit entity secured by residential real estate with a primary purpose consistent with the definition of community development.			X	
	Construction and other temporary financing to a nonprofit entity secured by residential real estate without a primary purpose consistent with the definition of community development.				X
	Refinance of a loan to a nonprofit entity where a residence is taken as collateral as an abundance of caution. The new loan must satisfy and replace an existing loan, and both the existing and new loan must be secured by a lien on a dwelling. <sup>A</sup> (Beginning 1/1/04)	X	X		
	Refinance of a loan to a nonprofit entity where a residence is taken central to the extension of credit. The new loan must satisfy and replace an existing loan, and both the existing and new loans must be secured by a lien on a dwelling. (Beginning 1/1/04)		X		

*Source: CRA Loan Data Collection Grid published by the Federal Reserve Bank of Dallas.  
Footnote B added by the OCC.*

<sup>A</sup> Small farm loan data are collected on loans of \$500,000 or less if (1) the loan is secured by farmland (including farm residential and other improvements) or (2) the loan is used to finance agricultural production and other loans to farmers.