

### ***SBA Lending Makes Dollars and Sense!***

Our recent eBulletins have focused on America's small businesses needs, how SBA loans can meet them, and the opportunities for your institution in the SBA and business lending marketplace.

*We all agree: Even in this environment, you need to lend in order to grow. And there isn't a better time to take advantage of SBA lending.*

Let's take a closer - and dollar-focused - look at the profitability potential SBA loans offer your institution. As you may know, the American Investment and Recovery Act of 2009 does away with fees to lenders and borrowers and raises SBA's guarantee percentage on 7(a) loans to 90%.

Here's an example of your profitability potential: On a typical 7(a) loan of \$100,000, the SBA guarantees 90% or \$90,000 with no fee to the borrower or your institution. Your capital outlay is \$10,000. Add the sale premium of \$6,300, and income from servicing, interest and packaging - and your institution's gross income from this single loan is \$8,800 or an 88% return.

*Fee Free and a 90% Guarantee. What else in your product line gives you this kind of return?*

<b>SBA 7(a) Loan Estimated Income</b>	
Loan Amount	\$100,000
Term	7 years
Rate	Prime + 2.75% (6%)
<b>SBA Guarantee %</b>	<b>90%</b>
SBA Guarantee \$	\$90,000
Lender's Capital	\$10,000
Sale Premium	107 %
<b>Premium Income</b>	<b>\$6,300</b>
Servicing @ 1%	\$900
Interest Income	\$600
Packaging Fee	\$1,000
<b>Gross Income</b>	<b>\$1,000</b>
<b>Gross Return</b>	<b>88.0%</b>

Our J.R. Bruno Team can make SBA lending easy and profitable for your institution! Whether you're starting or expanding your program, our services are tailored to meet your needs and include SBA loan marketing, on-site staff training, prescreening, loan structuring, underwriting, processing, packaging, loan documentation, pre-closing review, portfolio management, workouts, and SBA liquidations. We also offer free evaluations to address your SBA portfolio issues. To pool resources, we can train more than one institution in a group setting. Call us at 626.963.1267 or visit [www.jrbrunoassoc.com](http://www.jrbrunoassoc.com).

If you still have concerns about SBA lending, I'd like to know about them.

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