

dakota BUSINESS finance

Wednesday, September 17, 2008

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SMALL BUSINESS FINANCING FROM US.

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Current Rates – Sept 2008

- 20 Year Debenture:
6.57%
- 10 Year Debenture:
6.36%

Effective rates over the 10- or 20-year term of the loan.

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SAVE THE DATE



Dakota BUSINESS Finance *Annual Reception and Awards Presentation*

**Thursday, October 23, 2008
Westward Ho Country Club
4:30-6:00 P.M.**

Don't forget to mark your calendar for the upcoming Dakota BUSINESS Finance Annual Reception and Awards Presentation scheduled for Thursday, October 23, 2008, at the Westward Ho Country Club in Sioux Falls. Join us for this annual event where we will recognize the 2008 Dakota BUSINESS Finance "Lender of the Year" and "Friend of Dakota BUSINESS Finance" recipients. We look forward to hosting you and your organization at this event.

Dakota BUSINESS Finance's SBA Lender Training a Success

Thanks to everyone who joined us for the SBA Lender Training sponsored by Dakota BUSINESS Finance on August 26th in Sioux Falls. Over 60 lenders, real estate brokers and economic development professionals attended the training session and had an opportunity to hear the latest updates on SBA programs and credit criteria.

Didn't get a chance to attend the training session? Call Shawn Pritchett or Jessica Evans at Dakota BUSINESS Finance. We would be happy to come and visit with you to provide a quick update on all of the changes to SBA's lending programs and how they may impact future loan requests.

SECOG Announces Job Opening for Project Financer

Dakota BUSINESS Finance's sister organization, the South Eastern Council of Governments, is looking for an individual with a business background for a full-time Project Financer position. This individual will assist communities with grant and loan applications, administer construction draw downs, and conduct utility rate analyses. SECOG offers a great benefits package including health, dental, life, state retirement, annual and sick leave, and 10 paid holidays. The position is a great opportunity for an individual that is considering a change of career, has recently moved back to the Sioux Falls area, or is contemplating a move to Sioux Falls. Go to www.secog.org for a full position description and application information.

SBA 504 Rates Decline to Lowest Point since May 2008

In the current tumultuous market, the government guaranteed bonds that finance the SBA 504 program are increasingly demanded by investors looking for a safe place to invest capital. As a result, the September SBA 504 bond rate declined to its lowest point since May with an effective interest rate of 6.57% for 20-year fixed rate loans and 6.36% for 10-year fixed rate loans.

SBA 504 Program Eliminates On-Going Borrower Fee

On October 1 each year, the Small Business Administration adjusts the borrower fee for new loans approved in each Federal Fiscal Year. The borrower fee is a small on-going fee paid to SBA by SBA 504 borrowers and it is incorporated into the calculation of the effective interest rate paid by the borrower for their SBA 504 loan. The rate is set based on the date the loan is approved by SBA and is fixed for the life of the loan once it has been closed.

In FFY 2008, the borrower fee was 2.1 basis points. Beginning October 1, 2008, the Borrower Fee will be eliminated for all 504 loans approved by SBA in FFY 2009. The net result of this change is that SBA 504 borrowers will see a lower effective interest rate on their SBA 504 loans. The change reflects the strength of the SBA 504 program as a self-financed governmental program.

This newsletter is utilized to support Dakota BUSINESS Finance's sponsored programs and to update local lenders on current rates and news related to the 504 Program. To subscribe or unsubscribe, see information above.

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