

SAN DIEGO DISTRICT OFFICE
U.S. SMALL BUSINESS ADMINISTRATION

QUARTERLY NEWSLETTER FROM THE FINANCE AND
INVESTMENT DIVISION
FEBRUARY 1996

TOP 20 LENDERS IN 1995

The following is a list of the office's top 20 lenders in 1995. We would like to congratulate and thank you all for the fine work you did last year.

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<u>Bank Name</u>	<u># Loans</u>	<u>Total Amount</u>
1. CDC Small Business	85	\$33,308.0
2. North County Bank	83	17,489.7
3. Borrego Springs Bank	55	6,619.0
4. Bank of Commerce	37	12,842.5
5. Fallbrook Nat'l Bk	36	9,796.5
6. The Money Store	34	11,400.1
7. Rancho Santa Fe Nat	33	8,148.1
8. Peninsula Bank	27	4,528.1
9. Scripps Bank	25	5,121.6
10. Imperial Bank	24	5,588.5
11. Bank of Coronado	24	4,915.8
12. First Intern'l Bk	23	3,338.0
13. Union Bank	21	2,160.5
14. Capital Bank N.C.	19	4,778.7
15. Pacific Commerce Bk	18	3,354.5
16. Bank of America	17	2,969.2
17. Cuyamaca Bank	16	3,682.0
18. 1st Interstate Bank	16	2,954.0
19. Valley Independent Bk	15	4,638.3
20. Bank of Southern Ca.	11	2,248.5

Workshops Scheduled

We have scheduled the following workshops at our office conference room at 550 West "C" St., Suite 550, in San Diego. Seating is limited. We will limit the class size at each workshop to 12.

March 12, 9am until noon - 7(a)/504 basics
(for new lending staff)

March 14, 9am until noon - 7(a)/504 basics
(for new lending staff)

* March 27, 9am until noon - EWCP/CAPLines
(for experienced SBA lenders)

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March 28, 9am until noon - EWCP/CAPLines
(for experienced SBA lenders)

Please call Delia Gomez at (619) 557-7250,
extension 1117, to reserve a spot.

Loan Volume

The San Diego District Office approved 716 guaranties totaling \$168 million in FY95. In addition, we approved 136 Low Doc loans for the Los Angeles District Office, because they were very short of staff. We did this with three very busy Loan Officers and a very busy Loan Assistant.

Loan activity thus far in fiscal 1996 is down. We attribute this mainly to the SBA shutdown. We approved 128 guaranties for \$27 million from October 1 through December 31, 1995, compared to 172 guaranties for \$46 million during the same period a year ago. We believe loan volume to pick up to, and ultimately reach the 1995 level. But we have one less person in our processing staff this year. So we are actively promoting even greater utilization of the PLP concept, which among other things will take some of the load off our staff.

The new subsidy rate will enable FY96 funding to support approximately \$10 billion in SBA 7(a) loans nationwide this year, with virtually no chance of running out of funds.

Outreach Efforts for Minority Loans

We are calling on you again to help us reach minority borrowers. Ted Luszcz, formerly of SBA's Ventura Post of Duty recently

joined the Business Development Division of our Office. Ted will be calling on the key people in each lender's SBA Department. The purpose of the calls will be to arrange seminars on the lenders premises, lender attendance at minority association meetings, or other outreach efforts targeted at giving minority groups greater access to our loan programs. We realize that the economic, demographic, and staffing resources differ with each lender. Accordingly, we will try to tailor the effort to each lender's situation and the resources available. We know that you will welcome and give your support to Ted, when he calls on you.

Export Working Capital Loans

Last year, we approved 12 Export Working Capital (EWCP) Loans. Thus far this year, we have approved only one EWCP loan. While we see some interest developing in the program, it appears fairly minor. We would like to see one or more EWCP standout lender(s) to emerge. As you may know, PLP status for EWCP loans is possible for a lender who has approved as few as five EWCP loans. This is an untapped market just waiting for such a lender. Despite our workload, we will gladly meet with you and any EWCP prospect you have in an effort to develop such a facility. Please call Al Converse at 557-7260, ext 1116, to arrange such a meeting, at your office or ours.

New Regs Eliminate Alter-Ego Rule

Effective March 1, 1996, substantial changes will be made to the Code of Federal Regulations (CFR) in regard to SBA loans. Among the major changes is the elimination of the Alter-Ego concept. The National Association of Government Guaranteed Lenders (NAGGL) has copies of these changes available for its members.

We also have a limited supply of copies for lenders who are unable to obtain them otherwise.