

**SBA FINANCE UPDATE Rocky Mountain Capital LLC #7, Dec. 11, 2009**  
SBA NEWS--with a Focus on Acquisition Finance

*At Rocky Mountain Capital, we underwrite, package and source SBA-guaranteed financing. Our specialty is funding for business acquisition, as well as owner-occupied real estate, durable equipment, and business expansion projects.*

**ACTION ITEM: Support S. 2869, raising SBA Loan Limit to \$5MM**

On Dec. 10, Senators Mary Landrieu (D-LA) & Olympia Snow (R-ME) introduced the Small Business Job Creation & Access to Capital Act of 2009 (S. 2869). This bill:

- ▶ **Increases the 7(a) guaranteed loan limit from \$2 million to \$5 million.**
- ▶ Increases debenture amount under the 504 program to \$5 million (\$5.5 million in some cases). Total 504 financing package (for real estate and durable equipment), including private-sector portion, can go as high as \$14 million.
- ▶ Continues the temporary waiver of loan fees on 7(a) and 504 loans, through Dec. 31, 2010.
- ▶ Increases the maximum guarantee amount, to allow a full 90% guarantee of loans up to \$5 million
- ▶ Broadens definition of small businesses eligible for these programs, to include companies with tangible net worth up to \$15 million and average after-tax income up to \$5 million.
- ▶ Both the increased loan size limit and guarantee limit are permanent.

The benefit of this legislation to small business merger & acquisition is major, since there's currently a "no man's land" of transactions between \$3 million and \$10 million which are too large for SBA funding, and too small for private equity. Higher loan limits also serve businesses needing floor plan financing, buying commercial real estate, and purchasing durable equipment—especially for manufacturing.

**HOW TO SUPPORT QUICK PASSAGE:**

- (1) Click on <http://www.contactingthecongress.org/> or cut & paste into your browser.
  - (2) Scroll down to the US map, and click on your state.
  - (3) Click on the email address ("Electronic Correspondence") for your senator.
  - (4) Use the Senator's email template to send a short message, which can even be limited to the simple statement, **"I'm writing to request the Senator to co-sponsor S. 2869, the Small Business Job Creation & Access to Capital Act."**
  - (5) Repeat, for your state's other senator.
- You'll be done in 10 minutes.

**WHY SUPPORT IS NEEDED NOW**

With both parties of Congress and the Administration anxious to do something for small business, passage of S. 2869 is highly probable—once it comes to the floor for a vote.

The issue is timing. Health care legislation and other major issues are clogging the agenda, and *this bill could languish for months, unless it's given top priority.*

The more Senators who co-sponsor, the higher the priority.

If 40 Senators sign on, small business lending could have this jump-start by January.

**You are welcome to forward this message.**

**Rocky Mountain Capital: underwriting, packaging & sourcing SBA-guaranteed finance**  
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