

Low-Income CUs Are Eligible for MBL Boost

On August 7th, 2012 the NCUA told more than 1,000 credit unions that they can use a simple opt-in to become a Low-Income Designated Credit Union. This designation exempts the credit union from the 12.25% cap on member business loans. It is anticipated that this change could make \$250 - \$500 million available for business loans if all 1,003 credit unions elect to participate.

If all credit unions participate the number of designated Low-Income Credit Unions would double. The LICU streamlining process allows credit unions to opt-in to become a LICU with a simple reply rather than go through the traditionally required paperwork. It was part of a drought relief and recovery package announced by President Obama.

There are 470 federal credit unions headquartered in states that the federal government has identified as being in "extreme" drought conditions according to the NCUA.

"With this initiative, we are cutting regulatory red tape and expanding access to capital for small businesses, which should translate into job creation," said NCUA Board Chairman Debbie Matz. "Providing small businesses with the money needed to open their doors, create jobs, or expand operations will help our economy. This action is particularly timely for the 27 states devastated by this summer's historic drought."

In addition to waiving the member business lending cap, other benefits of LICU designation include eligibility for Community Development Revolving Loan Fund grants and low-interest loans, ability to accept deposits from non-members, and authorization to obtain supplemental capital.

To qualify as a Low-Income Designated Credit Union, a federal credit union's membership must meet low-income thresholds based on 2010 Census data.

SBA BASE RATES JULY 2012

WSJ Prime	3.25%*
1-Month LIBOR Base Rate	3.24%*
SBA Fixed Base Rate	4.72%*
SBA Peg Rate	2.50%**

*Effective for the first business day of August 2012

**Effective for the period between July 1, 2012 to September 30, 2012

MBL Holiday Closures

Labor Day
September 3rd, 2012

Columbus Day
October 8th 2012

SLA Program Begins

As of June 1 2012, SBA revised the Small Loan Advantage program making the application process easier, expanding the number of qualified lenders and increasing the loan cap from \$250,000 to \$350,000. Pre-screening tools and streamlined documentation enable lenders to offer faster and more cost-effective SBA 7(a) loans to small businesses.

The maximum loan size is \$350,000. SBA Guarantee is 85 percent for loans up to \$150,000 and 75 percent for those greater than \$150,000. Most Small Loan Advantage loans will be approved by SBA in a matter of 5 to 10 days. The program features a two-page application for borrowers.

Credit unions have already begun submitting loans to MBL to participate in this program. For more information contact MBL today.

The MBL Mission:

"To aid, counsel, and assist our participating credit unions and the member businesses they serve"