

Annual Meeting Recap

On Tuesday, October 16th representatives from credit unions from across the country gathered at the Grand America Hotel in Salt Lake City, Utah for MBL's Annual Meeting. The meeting set a record for Annual Meeting attendance, with 73% of all Preferred and Certified credit unions participating either in the meeting in-person or via Web-Ex.

The 2012 Annual Meeting's biggest announcement was related to upcoming changes to the composition of the Board of Managers. Sterling Nielsen, Chairman of the Board of Managers announced that the founding credit unions, Mountain America and America First, will reduce their representation on the board in order to permit broader and more geographically diverse representation. Mountain America will relinquish all three of its current seats on the Board of Managers, while America First will relinquish two of its three seats, thereby making five additional positions available for at-large representation.

MBL's President and CEO Kent Moon delivered the Annual Report and reported on the recent completion of the company's 2012 SSAE 16 audit with no exceptions. The management team presented reports on company operations and objectives for the coming year. Highlights include:

- Discounts are available for all Preferred and Certified Participants for completion of Professional Development Courses (up to 15%) and the quality/quantity of loan production and program effectiveness, as measured by the Medallion Discount Program (up to 24%)
- SBA secondary markets are providing substantial fee income to MBL participants, with an average premium of 13% in 2012 and individual bid indications as high as 17%
- MBL expanded its loan participation network and referral sources for SBA and conventional loans
- Transaction Processing Services System was created in 2012 to serve as a gateway for processing loans and loan transactions, which will improve efficiencies, reducing processing time and costs

Annual Service Quality Survey

In November all credit union Program Managers and CEO's will receive an email invitation to participate in MBL's annual service quality survey. Each year the MBL Board of Managers conducts a survey to measure the quality of service provided during the past year. For the first time in 2012, the survey will use a new rating system based on "The Ultimate Question 2.0" by Fred Reichheld. At the heart of the survey is one essential question, "Would you recommend MBL to a friend or colleague at another credit union?" We truly hope that MBL is an organization that you would refer to a friend or colleague.

All recipients are encouraged to complete the survey. A high response rate is essential to generate statistically meaningful results. While the survey is based on an eleven-point scale, all respondents are strongly encouraged to include specific comments. The objective is to identify what the organization is doing well, so we can reinforce it and to identify what we're not doing well, so we can improve it. MBL exists to provide outstanding service to the credit union industry. Please help us to help you better.

MBL Holiday Closures

Thanksgiving Day
November 22, 2012

Christmas Day
December 25, 2012

New Years Day
January 1, 2013

The MBL Mission:

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

SBA Selects Wells Fargo as Servicing Agent

The SBA has chosen Wells Fargo as the servicing agent for its 503/504 loan program, replacing Bank of New York Mellon, which had the job for the past 20 years. This program, approximately \$23.6 billion in size, includes more than 57,000 active small business loans and grows by approximately 7,000 new loans each year.

Wells Fargo has created a joint business relationship with the accounting firm PwC US to administer the loans. They will manage the receipt of payments, process of disbursements, payments, and fees associated with the program. Both Wells Fargo and PwC will be jointly responsible for investor reporting on debentures, government reporting on portfolio statistics and document review of new originations.

Source: American Banker, "SBA Picks Wells as Servicing Agent", dated 10/1/2012

Monthly Training Seminar

MBL will offer an online seminar on Loan Participations. It will include participation facilitation, agreements, master or sub servicing and annual reviews. The seminar is part of MBL's free monthly seminar series and is open to all credit union business lending staff.

Training

Wednesday, November 28th 2012

2:00 – 3:00 p.m. (MDT)

Session number: 806 747 535

Session password: Participat10n

A link to the training will be provided in a separate email.

SBA BASE RATES NOVEMBER 2012

| | |
|-------------------------|----------|
| WSJ Prime | 3.25%* |
| 1-Month LIBOR Base Rate | 3.21%* |
| SBA Fixed Base Rate | 4.5%* |
| SBA Peg Rate | 2.125%** |

*Effective for the first business day of November 2012

**Effective for the period between October 1, 2012 to December 31, 2012

SBA Loan Dollars Near Record in FY 2012

With loan volume steadily increasing for the past six quarters, the SBA's loan programs posted the second largest dollar volume ever in FY 2012, supporting \$30.25 billion in loans to small businesses. That amount was surpassed only by FY 2011, which was heavily boosted by the loan incentives under the Small Business Jobs Act of 2010.

Overall, the pace of SBA loan-making is a healthy sign for the economy and is one of the foundations for ensuring the availability of financing to small businesses trying to establish themselves, grow and create new jobs for Americans.

The near-record pace was driven in part by a record year for the Certified Development Company (504) loan program, which supported \$15.09 billion in small business credits. The strong performance of 504 loans was boosted by the temporary 504 refinancing program, which was responsible for 26 percent of the 504 program loans made in FY 2012 and 34 percent of the dollar volume. The recently expired 504 refinancing program was part of the incentive package under the Jobs Act.

"Reaching such strong numbers is a clear sign that both the business and lending communities are regaining their confidence in the economic climate of the country," said SBA Administrator Karen Mills. "It means that the credit markets are increasingly willing to help small businesses establish themselves, grow and create new jobs for Americans."

During the fiscal year, which ended September 30, SBA loan approvals supported \$30.25 billion (53,848 loans) to small businesses in its two main loan programs, 7(a) and 504. This is compared to \$30.5 billion (61,689) in FY 2011 and \$22.6 billion (60,771 loans) in FY 2010.

The totals for FY 2012 include 44,377 loans, \$15.15 billion approved under the agency's largest loan program, the 7(a) General Business Loan program, and 9,471 loans supporting \$15.09 billion in small business lending under the 504 Certified Development Company program. The "supported" amount for 504 loans includes the SBA backed portion and the third-party loans made by commercial lenders as part of the funding package.

Source: SBA Release Number 12-42, dated 10/9/2012

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