



## Annual Meeting

The 2012 MBL Annual Meeting will be held on Tuesday, October 16<sup>th</sup> at the beautiful Grand America hotel in Salt Lake City, Utah. All owners and users of MBL are invited and encouraged to attend.

The Annual Meeting is your opportunity to learn about MBL's accomplishments during the past year and to help us chart a path for the future. The Annual Meeting will feature presentations by the Board and Management including the 2012 Annual Report, the Business and Strategic Plans, and an open forum for all participants. A networking reception will be held immediately following the Annual Meeting.

Each credit union is strongly encouraged to have a representative at the Annual Meeting. To RSVP, please email [bwerner@mblllc.com](mailto:bwerner@mblllc.com) and provide the following information:

1. The name of the credit union's representative(s).
2. Will the representative participate in-person or via WebEx?
3. If participating in-person, will the representative attend the networking reception?

Please RSVP by Tuesday, October 9<sup>th</sup>.

### Schedule of Events

9:00 – 11:00	Board of Managers Meeting Riviera Room
11:30 – 4:00	Annual Meeting & Luncheon Riviera Room
4:00 – 5:30:	Networking Reception Fountainbleau Room

## Monthly Training Seminar

The 2012 Annual Meeting will take the place of the monthly training seminar. Regular monthly seminars will resume in November.

## House Increases SBA Loan Subsidy

Congress increased the federal subsidy for SBA loans. The increase was part of the bill that funds the government for the next six months. This is an uncommon case of an agency getting more money than it had this year.

The House passed the continuing resolution and the Senate is expected to follow suit. Without this \$1.05 trillion funding bill, the federal government would have been forced to shut down after September 30, the end of the government's fiscal year.

The SBA fared better than most agencies. Congress increased the subsidy it needs to guarantee loans to small businesses from \$210 million this year to \$333 million next year. The increased subsidy is needed because of higher default rates on SBA-backed loans made from 2005 to 2008.

Assuming the Senate signs off on this subsidy, the SBA should be able to back up to \$16 billion in loans next year through its flagship 7(a) program.

SBA has backed \$13.9 billion in 7(a) loans this year. That's behind last year's record pace of \$18.3 billion, when 7(a) lending boomed as a result of higher government loan guaranties and lower fees – temporary measures enacted to make SBA loans more attractive to lenders and borrowers. But 7(a) lending this year will top 2010's level of \$12.1 billion and looks strong heading into fiscal 2013.

Source: The Business Journals, "House Increases SBA Loan Subsidy to Keep Credit Flowing", dated 9/17/2012

## MBL Holiday Closures

**Columbus Day**  
**October 8th, 2012**

**Thanksgiving Day**  
**November 22, 2012**

### The MBL Mission:

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

# MBL Supporters Seek a New Path for Bill

Congressional credit union supporters are seeking a way to get the member business loan measure through Congress in the final days of this year's session, with the chance of an up-or-down vote on the bill itself fading fast.

But U.S. Representative Brad Sherman (D-CA), one of the co-sponsors of the bill in the House, said he and other credit union supporters still hope the increase in the MBL limit could be passed this year by attaching it to a broader bill more likely to be voted on, for example jobs legislation or the Transaction Account Guarantee-TAG-a bill backed by the bankers that would extend the federal guarantee of interest on non-interest bearing checking accounts.

The urgency is growing daily, with Congress scheduled to recess for the elections. This strategy extends the chance of the bill getting passed even after Congress returns from the elections for the lame-duck session.

Source: Credit Union Journal, "MBL Supporters Seek a New Path for Reform Bill", dated 8/28/2012

# SBA Announces Fee Rates for FY 2013

SBA has announced that there will be no change to the fees charged to lenders, CDC's or borrowers for 7(a) and 504 loans approved during FY 2013. Specifically, for 7(a) loans approved during FY2013, the yearly fee is 0.55 percent (55 basis points) of the guaranteed portion of the outstanding balance of the loan, and the upfront guaranty fee depends on the amount of the loan. For 504 loans approved during FY2013, the annual fee is 0.9375 percent (93.75 basis points) of the outstanding balance of the loan, and the one-time guaranty fee is 0.50% (50 basis points).

Source: SBA Release Number 5000-1253, dated 9/28/2012

# SBA Increases Size Standards

The SBA issued three final rules in the Federal Register, effective October 24, 2012, increasing size standards for firms in three NAICS Sectors. Those sectors are Real Estate and Rental and Leasing, Educational Services, and Health Care and Social Assistance.

New size standards will enable more businesses in these sectors to obtain or retain small business status, will give federal agencies a larger pool of small businesses from which to choose for their procurement programs, and will make more small businesses eligible for SBA's loan programs.

SBA increased size standards for businesses in 21 industries in the Real Estate and Rental and Leasing Sector. More than 13,000 additional firms will qualify as small under these new size standards and become eligible for SBA loan and federal procurement programs.

SBA also increased size standards for nine industries in the Educational Services Sector. More than 1,500 additional businesses will qualify as small under the new size standards and become eligible for SBA loan and federal procurement programs.

Size standards for 28 industries were also increased in the Health Care and Social Assistance Sector. More than 4,100 additional firms will qualify as small under these new size standards and become eligible for SBA loan and federal procurement programs.

The three rules and public comments can be reviewed at [www.regulations.gov](http://www.regulations.gov).

The SBA is reviewing all size standards, and takes into account the structural characteristics of individual industries, including average firm size, the degree of competition, and federal government contracting trends. This ensures that small business size definitions reflect current economic conditions in those industries. Under the Small Business Jobs Act of 2010, SBA will continue its comprehensive review of all size standards for the next several years.

Source: SBA Release Number 12-39, dated 9/25/2012

## SBA BASE RATES OCTOBER 2012

WSJ Prime	3.25%*	1-Month LIBOR Base Rate	3.21%*
SBA Fixed Base Rate	4.45%*	SBA Peg Rate	2.125%**

\*Effective for the first business day of October 2012

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