



**Date:** March 9, 2009  
**To:** Certified Development Companies  
**From:** Steve Van Order, DCFC Fiscal Agent  
**Subject:** March 2009 504 Debenture Offering (2009-20C, 10B)

On March 11, 2009, 487 twenty-year debentures totaling \$290,034,000 and 42 ten-year debentures totaling \$28,643,000 will be funded through the sale of certificates guaranteed by SBA. Below are debenture pricing details that were

set on March 3:

Sale/Sale Comparison	Treasury	Swap Spread	Spread	Rate	T plus
<b>2009-20C (03/03/09)</b>	2.939%	31.75 BP	140.35 BP	4.66%	172.1 BP
<b>2009-20B (02/03/09)</b>	2.801%	20.50 BP	175.40 BP	4.76%	195.9 BP
<b>Change</b>	+13.8 BP	+11.25 BP	-35.05 BP	-10 BP	-23.8 BP

Sale/Sale Comparison	Treasury	Swap Spread	Spread	Rate	T plus
<b>2009-10B (03/03/09)</b>	1.898%	68.50 BP	129.70 BP	3.88%	198.2 BP
<b>2009-10A (01/06/09)</b>	1.762%	60.75 BP	270.05 BP	5.07%	330.8 BP
<b>Change</b>	+13.6 BP	+7.75 BP	-140.35 BP	-119 BP	-132.6 BP

- The April offering will consist of *20-year debentures*.
- The *cutoff date* to submit loans to Colson for this offering is Tuesday **March 24**.
- A *request to remove a submitted loan* from a pool must be made through Colson Services by close of business Thursday, **April 2**.
- *Pricing date* is Tuesday **April 7**, on which the debenture interest rates will be set.
- The debentures will be funded on Wednesday, April 15.

In H1 FY 2009 3,248 debentures totaling \$1,934,647,000 were issued. The number of debentures decreased 24% while the dollar amount was down 19% versus the year ago period. Average twenty-year debenture pool size was \$322 million versus \$387 a year ago.

The H1 FY 2008 average<sup>1</sup> 20-year rate was 5.63%, up 26 BP from the year ago period. The ten-year debenture rate averaged 4.93%, up 18 BP versus a year ago.

The credit market environment the last six months was the most challenging in program history and featured continued massive policy responses from the federal government as the liquidity and credit crisis intensified in the US. Through the panic in the credit markets from September through year-end the 504 program operated smoothly and all deals were fully funded. Over the last three months improved conditions resulted in a sharp fall in 504 debenture rates and spreads. The crisis, however, is not over and overall credit market conditions just after the March pricing were deteriorating some.

As of March 1, 2009, 89,893 debentures totaling \$39,396,930,000 were issued since program inception and \$22,383,420,263.65 of debentures were outstanding.

<sup>1</sup> All averages in this report are simple (i.e. non-weighted) mean measurements.