



Date: November 19, 2012

To: Certified Development Companies

From: Francis X. Keane, DCFLLC Fiscal Agent

Subject: November 2012 SBA 504 Debenture Offering

On November 14, 2012, 622 twenty-year debentures totaling \$428,707,000 and 85 ten-year debentures totaling \$57,943,000 will be funded through the settlement of certificates guaranteed by SBA. Below are the November 6 debenture pricing details:

Sale/Sale Comparison	Treasury	Swap Spread	Spread	Rat	T plus
2012-10F (11/06/12)	0.71%	+10.75bps	20.00bps	1.01%	30.00bps
2012-10E (09/06/12)	0.60%	+16.75bps	22.00bps	0.98%	38.5bps
Change	+11.00bps	- 6.00bps	-2.00bps	+.03bps	-8.50bps

Sale/Sale Comparison	Treasury	Swap Spread	Spread	Rate	T plus
2012-20K (11/06/12)	1.70%	4.25bps	35bps	2.09%	39bps
2012-20J (10/04/12)	1.72%	6.25bps	40bps	2.18%	46bps
Change	-.02bps	-2.00bps	-5.0bps	-9.0bps	-7.bps

- The December offering will consist of *20-year debentures*.
- The **cutoff date** to submit loans to Colson for this offering is **Tuesday, November 20**.
- A **request to remove a submitted loan** from a financing must be made through Colson Services by close of business **Thursday, November 29**. In advance of that all CDCs are required to determine “no adverse change” for each loan before submitting it to SBA.¹
- **Pricing and pooling date** is **Tuesday, December 4**, on which the debenture interest rates will be set and the pool legally formed and closed. Loans may not be pulled from the financing after the debenture interest rate has been set and the pool legally formed.
- The debentures will be funded on **Wednesday, December 12**.

Tempest in the Market: Hurricane Sandy joined the Euro zone crisis, fiscal cliff, debt ceiling, Middle East unrest, weak economic growth and low employment data to disrupt financial markets during our sale. The resulting power outages and office closings did not prevent our Underwriters from helping to price the 20-year debentures at an all -time low rate and the 10-year at the second lowest rate in the program’s history. Additionally, investor demand for the 20-year maturity allowed us to tighten its spread to Treasuries by 9bps from the October sale and still be strongly over-subscribed with orders. This sale also was highlighted by an increased number of buyers, further enhancing distribution for our product and enhancing its profile.

¹ Per NADCO General Counsel Jan Garlitz: SOP 50-10(5)(C), page 331, subparagraph C.6.III.A.3., all CDCs must do a "no adverse change" determination no earlier than 14 calendar days before the file is shipped by the SLPC to the SBA District Counsel and the CDC submits its closing package to that SBA District Counsel. Non-ALP CDCs must submit their determination with the financial statements to the SLPC and receive SBA's concurrence. ALP CDCs and PCLP CDCs must document their determination with the financial statements in the Loan file.