



Development Company Finance LLC

Date: October 5, 2010
To: Certified Development Companies
From: Steve Van Order, DCFLLC Fiscal Agent
Subject: October 2010 SBA 504 Debenture Offering

On October 13, 2010, 492 twenty-year debentures totaling \$265,250,000 will be funded through the sale of certificates guaranteed by SBA. Below are debenture pricing details:

| Sale/Sale Comparison | Treasury | Swap Spread | Spread | Rate | T plus |
|-----------------------------|-----------------|--------------------|---------------|-------------|---------------|
| 2010-20J (10/05/10) | 2.470% | +8.75 BP | 55.25 BP | 3.11% | 64.0 BP |
| 2010-20I (09/07/10) | 2.645% | -4.00 BP | 60.50 BP | 3.21% | 56.5 BP |
| Change | -17.5 BP | +12.75 BP | -5.25 BP | -10 BP | +7.5 BP |

- The November offering will consist of *10- and 20-year debentures*.
- The *cutoff date* to submit loans to Colson for this offering is Tuesday **October 26**.
- A *request to remove a submitted loan* from a pool must be made through Colson Services by close of business Thursday, **November 4**.
- *Pricing date* is Tuesday **November 9**, on which the debenture interest rates will be set.
- The debentures will be funded on Wednesday, November 17.

Below is a summary of FY 2010 debenture pool issuance:

- In FY'10 6,242 debentures totaling \$3,444,374,000 were issued. The number of debentures decreased 1% and dollar amount was down 9% versus a year ago.
- The average¹ 20-year rate was 3.97%, down 106 BP from the year ago period. The ten-year debenture rate averaged 2.72%, down 134 BP versus a year ago.
- As of the September 15, 2010, 99,722 debentures totaling \$45,006,072,000 were issued since program inception with \$23,785,065,037.38 in debentures outstanding.

¹ Simple (i.e. non-weighted) mean.