



**Date:** May 15, 2012

**To:** Certified Development Companies

**From:** Frank Keane, DCF LLC Fiscal Agent

**Subject:** May 2012 SBA 504 Debenture Offering

On Wednesday May 16, 2012, 641 twenty-year debentures totaling \$414,500,000 and 64 ten-year debentures totaling \$33,229,000 will be funded through the settlement of certificates guaranteed by SBA. The rates on both debentures are the lowest in the history of the SBA 504 program. Additionally, the twelve-month average for the 20 year series is now 2.92% with \$3.9B debentures having been issued during this period. Below are the May 8 debenture pricing details:

<u>Issue</u>	<u>Treasury</u>	<u>Swap Spread</u>	<u>Spread</u>	<u>Rate</u>	<u>T plus</u>
<b>2012-20E</b>	1.837%	0.1475	0.400	2.38%	.54
<b>2012-20D</b>	<u>2.170%</u>	<u>0.0875</u>	<u>0.410</u>	<u>2.67%</u>	<u>.50</u>
<b>change (bps)</b>	-33.3bps	+6.00bps	-1.00bps	-29.00bps	+4.00bps

**Month-over-month Comparison: 10-Years**

<u>Issue</u>	<u>Treasury</u>	<u>Swap</u>	<u>Spread</u>	<u>Rate</u>	<u>T plus</u>
<b>2012-10C</b>	0.758	0.3075	0.170	1.24%	.48
<b>2012-10B</b>	<u>0.820</u>	<u>0.2675</u>	<u>0.220</u>	<u>1.31%</u>	<u>.49</u>
<b>change (bps)</b>	-6.2bps	+4.00bps	-5.00bps	-7.00bps	-1.00bps

- The June offering will consist of *20-year debentures*.
- The ***cutoff date*** to submit loans to Colson for this offering is **Tuesday, May 22**.
- A ***request to remove a submitted loan*** from a financing must be made through Colson Services by close of business **Thursday, May 31**. In advance of that all CDCs are required to determine “no adverse change” for each loan before submitting it to SBA.<sup>1</sup>
- ***Pricing and pooling date*** is **Tuesday, June 5**, 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, June 13**.

<sup>1</sup> 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.