



**Date:** September 15, 2009

**To:** Certified Development Companies

**From:** Steve Van Order, DCFC Fiscal Agent

**Subject:** September 2009 SBA 504 Debenture Offering (2009-20I, 10E)

On September 16, 2009, 565 twenty-year debentures totaling \$331,676,000 and 44 ten-year debentures totaling \$17,752,000 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
<b>2009-20I (09/08/09)</b>	3.450%	20.00 BP	55.00 BP	4.20%	75.0 BP
<b>2009-20H (08/04/09)</b>	3.654%	25.00 BP	54.60 BP	4.45%	79.6 BP
<b>Change</b>	-20.4 BP	-5.00 BP	+0.40 BP	-25 BP	-4.6 BP

Sale/Sale Comparison	Treasury	Swap Spread	Spread	Rate	T plus
<b>2009-10E (09/08/09)</b>	2.345%	38.50 BP	35.00 BP	3.08%	73.5 BP
<b>2009-10D (07/07/09)</b>	2.380%	41.25 BP	39.75 BP	3.19%	81.0 BP
<b>Change</b>	-3.5 BP	-2.75 BP	-4.75 BP	-11 BP	-7.5 BP

- The October offering will consist of *20-year debentures*.
  - The **cutoff date** to submit loans to Colson for this offering is Tuesday **September 22**.
  - A **request to remove a submitted loan** from a pool must be made through Colson Services by close of business Thursday, **October 1**.
  - **Pricing date** is Tuesday **October 6**, on which the debenture interest rates will be set.
  - The debentures will be funded on Wednesday, October 14.
- In FY 2009 6,306 debentures totaling \$3,780,738,000 were issued. The number of debentures decreased 28% and dollar amount was down 25% versus the year ago period.
  - The FYTD average<sup>1</sup> 20-year rate was 5.03%, down 26 BP from the year ago period. The ten-year debenture rate averaged 4.06%, down 87 BP versus a year ago.

#### Issuance, Interest Rates and Spreads: FYTD'09 versus FYTD'08<sup>2</sup>

Measurement	FYTD 2009	FYTD 2008	Change
20-yr. 504 Issued	\$3,646.2 M	\$4,914.9 M	-26%
20-yr. 504 Rate	5.03%	5.52%	-49 BP
20-yr 504 vs. UST	178 BP	162 BP	+16 BP
20-yr. 504 vs. 10-yr. Swap	148 BP	96 BP	+52 BP
UST yield (10yr.)	3.25%	3.89%	-64 BP
UST-curve (5 vs.10)	+104 BP	+70 BP	+34 BP
Swap Spread (10yr.)	+30 BP	+66 BP	-36 BP
10-yr. 504 Issued	\$124.5 M	\$133.2 M	-7%
10-yr. 504 Rate	4.06%	4.93%	-87 BP

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

<sup>2</sup> Some figures may not tie out due to rounding.