



Development Company Finance LLC

Date: March 22, 2011
To: Certified Development Companies
From: Steve Van Order, DCFLLC Fiscal Agent
Subject: March 2011 SBA 504 Debenture Offering

On March 16, 2011, 563 twenty-year debentures totaling \$285,694,000 and 59 ten-year debentures totaling \$29,623,000 were funded through the sale of certificates guaranteed by SBA. Below are debenture pricing details:

Sale/Sale Comparison	Treasury	Swap Spread	Spread	Rate	T plus
2011-20C (03/08/11)	3.523%	+10.00 BP	46.70 BP	4.09%	56.7 BP
2011-20B (02/08/11)	3.662%	+10.50 BP	45.30 BP	4.22%	55.8 BP
Change	-13.9 BP	-0.50 BP	+1.4 BP	-13 BP	+0.9 BP

Sale/Sale Comparison	Treasury	Swap Spread	Spread	Rate	T plus
2011-10B (03/08/11)	2.209%	20.25 BP	21.85 BP	2.63%	42.1 BP
2011-10A (01/04/11)	1.981%	16.50 BP	30.40 BP	2.45%	46.9 BP
Change	+22.8 BP	+3.75 BP	-8.55 BP	+18 BP	-4.8BP

- The April offering will consist of *20- debentures*.
- The *cutoff date* to submit loans to Colson for this offering is Tuesday **March 22**.
- A *request to remove a submitted loan* from a pool must be made through Colson Services by close of business Thursday, **March 31**.
- *Pricing date* is Tuesday **April 5**, on which the debenture interest rates will be set.
- The debentures will be funded on Wednesday, April 13.

H1 FY 2011 (Oct. 2010 through Mar. 2011) Debenture Issuance Summary

- In H1 of FY'11 \$1,810.9 MM in debentures were issued, up 8.3% from the year-ago period.
- The average 20-year debenture interest rate was 3.71% versus 4.13% for the year-ago period. The ten-year debenture rate was 2.30% versus 3.00%.
- 20-year spread to treasury benchmark averaged +61 BP, unchanged versus the year-ago period and compared to the +90 BP average since program inception in 1986.

- 20-year spread to interest rate swap benchmark averaged +50 BP, up one BP from a year ago and compared to +47 BP since pricing to swaps started in 1999.
- As of March 1, 2011, 102,440 debentures were issued since inception that totaled \$46,501,684,000 original principal balance with \$23,738,675,908.25 outstanding principal balance.