



Date: April 11, 2012  
To: Certified Development Companies  
From: Frank Keane, DCFLLC Fiscal Agent  
Subject: April 2012 SBA 504 Debenture Offering

On April 11, 2012 554 twenty year debentures totaling \$342,167,000 were funded through the settlement of certificates guaranteed by SBA. Below are the April 3 debenture pricing details:

<u>Issue</u>	<u>Treasury</u>	<u>Swap</u>	<u>Spread</u>	<u>Rate</u>	<u>Swap+</u>	<u>UST+</u>
2012-20D	2.174	0.0875	0.410	2.67	40.85	49.6
2012-20C	1.940	0.0825	0.490	2.51	48.75	57.0
change (bps)	+23.4	+0.50	-8.00	+16	-7.90	-7.40

The rate of 2.67% was greater than the March sale by 16 bps but demand for Agency paper helped tighten the pricing spread to Swaps by 8 bps and to the Treasury benchmark issue by 7 bps. This spread to Treasuries was the tightest since April 2010 when that 4.11% issue represented a +49 spread to Treasuries and + 48 to Swaps.

The May sale will consist of 20 and 10 year debentures.

The cutoff date to submit loans to Colson for this offering is Tuesday April 24

A request to remove a submitted loan from a financing must be made through Colson Services by close of business Thursday May 3. In advance of that all CDC's are required to determine "no adverse change" for each loan before submitting it to SBA.<sup>1</sup>

<sup>1</sup> Per NADCO General Counsel Jan Garlitz: SOP 50-10(5)(D), page 335, 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.



Pricing and pooling date is Tuesday May 8, when the debenture interest rate 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, May 16.