

July 2

BTB

Business to Business



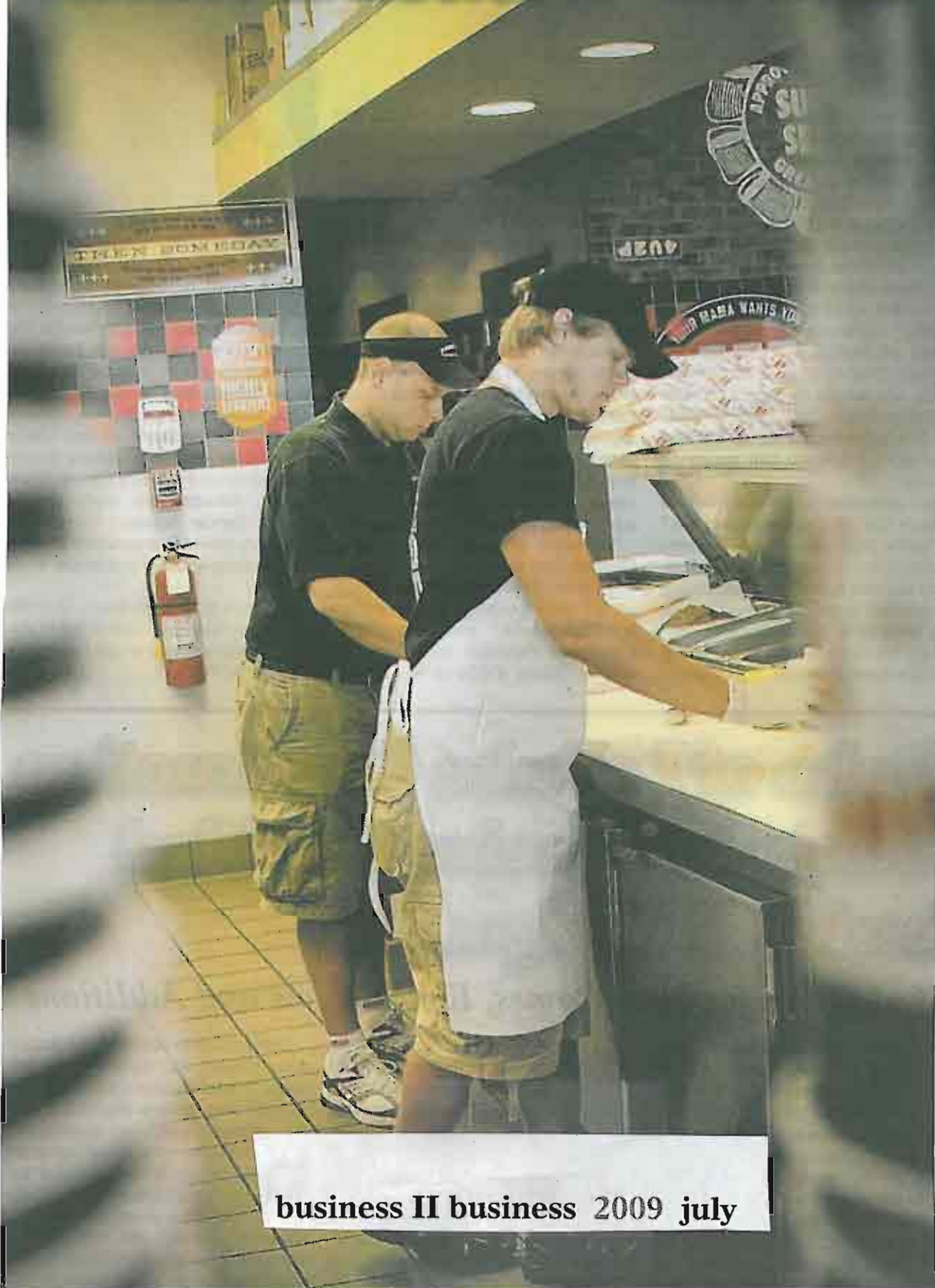
Citizens First Bank..

Small Business Loans

**TIMES
HERALD**

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Story By CATHY BARRINGER-ROURKE

Photo Courtesy of DOUG BROOKS of PERKINS PHOTOGRAPHY

The rumors are true.

Small businesses looking to borrow money in this tight financial market will still find lending opportunities at Citizens First Bank through the Small Business Administration (SBA).

In fact, thanks to anticipated federal stimulus money from the American Recovery and Reinvestment Act (ARRA), now is a better time than ever to take advantage of such SBA loans.

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Chris Flann, the bank's SBA program director, said the SBA now offers an array of business assistance programs with new incentives, even for businesses who may not meet the standard collateral or cash-flow requirements.

Whether entrepreneurs are looking at more equipment for an expanding company, another franchise for an existing business, the purchase of an existing establishment or the startup of a new enterprise, Citizens First will find the right product according to the business' individual needs.

"Maybe they have been holding off, but now is a good time," he said.

Flann said what makes the loans so attractive right now is the SBA has increased its usual loan guarantee of 75%, meaning the SBA would step in after liquidation and in the event of a shortfall pay up to 75% of the loss on that loan.

The SBA now has a 90% guarantee in place and has waived the fee charged to put that guarantee in place.

"There's only 10% at risk versus 25%," Flann said. "There's a little more reassurance."

"It will help give banks more confidence and open up the credit market," he continued. "It's basically to get banks lending again. The customer benefits by the waiving of the fee on larger loans amounts."

For example, Flann said a \$500,000 loan with a 75% guarantee would be charged a 3% fee of \$11,250.

"The SBA has started waiving those fees, so it is going to cost \$11,250 less right now," he said. "For a small business, that's huge."

Flann said the SBA loan outlook is good. He said according to SBA District Director Richard Tenkin, the number of SBA loans in Michigan has risen from 15 to 24 a week since the ARRA was implemented.

Since Citizens First is a preferred lender with the SBA, the financial institution can handle loans in a timely fashion without all the headache and paperwork.

Despite reports of lenders not lending, Citizens First is ranked the sixth largest provider of SBA loans in Michigan. That's up from the 13th spot for the list's only community bank.

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"I'm tying the credit to the SBA program," Flann said. "Not every bank is willing to go through the process to be a SBA lender. It was a process we went through because we saw the benefits before the credit crunch hit. We're still willing to lend money utilizing SBA's programs to try to help the community."