



# SBA Guaranteed Loan Sale Analysis

Monday, February 25, 2019

SBA Guaranteed Loan Origination	
Total SBA Loan Amount:	\$500,000
Guaranteed Portion (75%) to be Sold by Lender:	\$375,000
Un-Guaranteed Portion (25%) to be Retained by Lender:	\$125,000
Rate to the Borrower:	Prime + 2.75% Reset Qtrly (Current Rate 8.25% with Prime Rate @ 5.50%)
Loan Term:	25 Years

Secondary Market Transaction Overview	
Secondary Market Bid (Dollar Price):	114.500
Net Premium to Lender:*	112.250
* Please note that premiums over 110 are split 50/50 with the SBA	
Lender Retains Servicing on the Sold, Guaranteed Portion:	1.000%

Lender's Simple Return Analysis	
<b>First Year Return on Invested (Retained, Ungtyd Portion) Dollars</b>	
Premium Earned on the Sale (Gtyd Portion X 12.25% Premium):	\$45,938
Full Rate Earned on Retained, Ungtyd Portion (8.25%* on \$125M):	\$10,313
<u>Servicing Earned on Sold, Gtyd Portion (1.00% on \$375M):</u>	<u>\$3,750</u>
<b>Total First Year Income:</b>	<b>\$60,000</b>
<b>First Year Return on Invested Dollars:</b>	<b>48.00%</b>
* Assumes no change in Prime Rate	
<b>Subsequent Years Return on Invested (Retained, Ungtyd Portion) Dollars</b>	
Premium Earned on the Sale (Gtyd Portion X 12.25% Premium):	\$0
Full Rate Earned on Retained, Ungtyd Portion (8.25% on \$125M):	\$10,313
<u>Servicing Earned on Sold, Gtyd Portion (1.00% on \$375M):</u>	<u>\$3,750</u>
<b>Total Income:</b>	<b>\$14,063</b>
<b>Subsequent Years Return on Invested Dollars:</b>	<b>11.25%</b>
*Please note that the table is an estimate and returns will vary.	

Please note that this example does not take into account the amortization of principal or your institutions internal accounting treatment of the secondary market transaction. It is simply intended to familiarize the reader with the basic economics of the transaction.

Please consult your accountants for specifics regarding the accounting treatment of secondary market transactions.

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