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**EDITORS:** The following information is for immediate release. If you have any questions, please contact Chuck Evans, Director of Loan Programs of the South Eastern Economic Development Company of PA (Seedcopa) 610 458-5700 x 242 [cevans@seedcopa.com](mailto:cevans@seedcopa.com).

## **Seedcopa Promotes Government Guaranteed Lending to Community Banks as a Profit Center**

**EXTON** \_ South Eastern Economic Development Company of Pennsylvania (“Seedcopa”) has expanded its Government Guaranteed Lending Unit with the addition of two new staff members. *William Hughes* and *David Puyear* have joined the Seedcopa team to promote Seedcopa as one of the region’s premiere “Lender Service Providers” for Government Guaranteed Loans. The expanded Seedcopa staff provides over 25 years of bank consulting experience specifically in the Government Guaranty programs of the SBA and USDA.

Seedcopa is Pennsylvania’s largest SBA 504 lender with a footprint from Harrisburg to Philadelphia. For the last twelve years, Seedcopa has been the leading Certified Development Company “CDC” in Pennsylvania. In eastern Pennsylvania, there are 88 banks that used the SBA 7a program through April 30th, but only 19 of those banks have made more than 10 loans in this seven month period.

SBA lending is a specialized function and difficult if the lender does not have a dedicated team to facilitate these loans. The process results in a slow and cumbersome experience for the Borrower. The SBA is promoting banks use the guarantee program to provide small business more access to capital, but the staffing resources to support this specialized lending is scarce.

Seedcopa is promoting Community Banks use the Government Guarantee as a profit center versus a “loan of last resort. The SBA provides extended terms for working capital, machinery and equipment and real estate making these loans attractive to even the best borrower. Secondary market premiums are at some of the highest levels in years. A \$10,000,000 loan level could result in over \$1.3 million in non-interest fee income to a bank.

Chuck Evans, Seedcopa Director, states, “We have encountered many small community banks that have a high loan to deposit ratio and minimal profitability that see Government Guaranteed Lending as a tool to provide more non-interest fee income and less dependence upon loan participations. This innovative approach to outsourcing should allow more community banks the ability to directly offer SBA loan programs economically and without the investment in a specialized lending group. In turn small businesses will have better access to capital.”

Seedcopa is a private, non-profit economic development organization that has been nurturing economic growth in Pennsylvania for more than 25 years. Seedcopa is the leading certified development company in Pennsylvania for 12 consecutive years. For more information on small business financing, visit [www.seedcopa.com](http://www.seedcopa.com).

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