

## ***PRESS RELEASE***

### **Redstone Federal Credit Union**

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## **SBA eases barriers to loans**

### **Redstone Federal Credit Union...Top lender of SBA loans in Alabama**

May 1, 2009 - As the top lender of SBA loans made in Alabama, Redstone Federal Credit Union is poised to set new records as members take advantage of the revised SBA lending guidelines set forth in the American Recovery Reinvestment Act.

Jack Wright, Vice President of Business Retail at Redstone, said the important changes that have been implemented as part of the Recovery Act will eliminate some of the barriers small businesses have faced in acquiring capital.

The revised guidelines will:

- Provide SBA guaranteed loans up to \$2 million
- Eliminate some guaranty fees. For example: a \$300,000 loan with a 90 percent guarantee would normally carry a fee of \$8,100 payable to the SBA. That fee is now eliminated.
- Provide Redstone Federal Credit Union with a 90 percent SBA guaranty on loans up to \$1.66 million made during 2009. It's a greater incentive for lenders to make an SBA loan.
- Provide funding of up to \$4 million for a \$10 million total project cost under the 504 loan program. The 504 loan program allows for the purchase of fixed assets, such as real property and long term equipment.
- Increase the amount the SBA will guarantee for a surety bond needed in connection with a contract performance bond.

“Redstone Federal Credit Union is uniquely positioned to assist small businesses because it is the most active SBA lender in Alabama and participates in all of the SBA loan programs, including SBA Express, Community Express, Patriot Express, Gulf Opportunity, SBA 7(a) and SBA 504 loans,” Wright said. “Redstone can make these loans to businesses located in any Alabama city and within 25 miles of our branch in Fayetteville, TN.”

Eric Zarnikow, SBA Associate Administrator for Capital Access, said during a recent pod cast, that these new changes will grow small businesses, the backbone of the U.S. economy.

“One of our main missions is to expand access to capital for small businesses, making it easier for them to get loans, to start, or expand, or grow a small business,” Zarnikow said. “And our role really is to expand the amount of capital that is available to small businesses by taking some of the risk away from (financial institutions) through a partial government guarantee.”

For more information, contact Redstone’s Business Services staff at 722-3407 in Huntsville or 800-234-1234, extension 3407 statewide.

**About Redstone Federal Credit Union**

With more than \$2.4 billion in assets, Redstone Federal Credit Union is the largest credit union in Alabama and one of the largest in the nation by assets. Based in Huntsville, Alabama, Redstone Federal Credit Union serves 300,000 members and employs more than 750 people. Redstone Federal Credit Union has proudly served its members in the Tennessee Valley area since 1951 and has 20 conveniently located branches across North Alabama and Tennessee. Redstone Federal Credit Union provides a level of service that is not generally available at other financial institutions through its philosophy of...People Helping People.