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Turbulent Times: Time for Credit Union SBA Lending!

We're certainly in turbulent times. With the stock market fluctuating hourly and the global economy struggling to right itself, what are the prospects for America's credit unions? They're good. As you may know, history tells us that times of economic turmoil are growth times for credit unions. From 1936 to 1941 the nation's number of credit unions doubled and membership tripled, while other financial institutions across the country failed.

As Callahan & Associates President Chip Filson said in a recent article, "...markets don't always work or treat people fairly. The current economic turmoil, now impacting all levels of society... is why credit unions came into being and continue to exist."

The current credit crunch demonstrates the soundness of the cooperative model: Credit unions continue to lend while many banks can't. Additionally, the credit union industry has exercised sound underwriting practices and largely avoided the subprime marketplace. According to a recent Callahan report, total loan originations for credit unions have exceeded \$180 billion so far this year.

Many of your leagues are seizing the moment with news releases and other outreach letting consumers know that credit union accounts are insured up to \$250,000 by the NCUA - and importantly - that credit unions are lending, especially to small businesses. Have you noticed? The Small Business Administration is all over the media announcing that it's prepared to handle the increased demand.

SBA loans are a good deal in this environment - for lenders and small businesses. As a lender, the SBA-backed guaranty mitigates your risk and increases your opportunity to realize solid income. You also have a chance to convert members with personal accounts into business borrowers, and new borrowers into full-service members. As borrowers, small businesses gain access to capital from a stable financial institution: your credit union. If you're new to member business lending, or if you have a business lending department, but have shied away from the SBA process, we're here to help.

J.R. Bruno is expert in every phase of SBA lending. In addition to customized workshops for new and experienced lenders, we offer loan packaging, portfolio review and due diligence, documentation, and marketing strategies. The J.R. Bruno team will make your credit union's SBA lending program easy and profitable. Call us at 626.963.1267 or visit www.jrbrunoassoc.com.

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