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### **Profitability in Small Business Lending**

Home foreclosure rates and delinquency notices are continuing to rise. In May of 2007, they're 90% higher than '06. Refinance rates have stopped falling, but show no sign of improving in the near future. Nearly every major financial institution has discussed that their credit standards are tightening. Home inventories are rising in every market as prices decline. All of these factors point to the fact that profits associated with mortgage lending will continue to drop in the near future.

With housing analysts predicting no end in sight, and no bounce in the market until as late as 2010, and a stagnant auto lending market, what is your financial institution going to do?

How many of your loan products are backed by the US government AND can provide returns of 25% or more? How many of your members already own small businesses but have their business accounts somewhere else? How low does your ROA have to go before you explore new areas?

Consider small business lending, for a moment. Not commercial land speculation, or four unit apartment buildings; we're talking about providing capital to businesses interested in expanding, diversifying and investing in the future.

If you're interested in increasing your bottom line with small business lending, but need assistance with this or any other SBA issue, call us at 626.963.1267. We are always available for a free consultation. Be sure to visit our website at [www.jrbrunoassoc.com](http://www.jrbrunoassoc.com) for all the latest info.

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