



**RAINMAKER**  
CONSULTING

**FOR IMMEDIATE RELEASE**

June 15, 2009

Additional Information, please contact:  
Laura Goldey – Director of Global Communications  
Rainmaker Consulting, LLC – (904) 635-6761  
[Laura.Goldey@RainmakerLLC.com](mailto:Laura.Goldey@RainmakerLLC.com)

## **SBA Releases Long-Awaited ARC Loan Program**

---

30 Million Business Compete for 10,000 Loans  
Rainmaker Assists Clients with Loan Preparation and Securement of Funding

**JACKSONVILLE BEACH, FL** – The Small Business Administration (SBA) today released its long-anticipated America's Recovery Capital (ARC) Loan program – and just in the nick of time. The SBA will begin doling out 10,000 deferred-payment loans of up to \$35,000 to small businesses that are struggling to stay afloat.

Under authority provided in the American Recovery and Reinvestment Act (signed February 19, 2009), small, viable businesses (private, for-profit enterprises with up to 500 employees) that are at least two years old and can demonstrate an immediate financial hardship including a 20% decline in sales, revenues or working capital, may apply for loans directly with participating SBA-approved small-business lenders. Businesses must use the loans to pay off certain types of outstanding small-business debt, including credit-card debt, capital leases and notes payable to vendors. Following is a breakdown of the pros and cons of the SBA's new lending program:

### **THE PROS**

Lack of fees: Unlike previous SBA loans, borrowers won't have to pay any fees. Lenders aren't allowed to charge ARC Loan recipients any fees or costs.

No interest: The SBA pays the loan's interest for the life of the loan.

Fully Guaranteed: The ARC Load is 100% guaranteed by the U.S Government.

Deferred payments: The disbursement period, which lasts up to six months, is followed by a 12-month deferral period in which borrowers aren't required to repay the ARC Loan principal. After the deferral period, the borrower makes payments on only the principal and can take up to five years to repay the loan.

Extra cash flow: By using the loan to pay off company debts, it frees up other funds that can be put toward business expenses, such as buying inventory or making payroll. Companies can also pay off high interest credit-card debt and even free up some assets for reinvestment.

**- More**

## SBA Releases Long-Awaited ARC Loan Program, continued

### THE CONS

The program, unless expanded, has some considerable cons. They include:

There are Very Limited Number of Loans Available: There are, according to the SBA, roughly 30 million small businesses in the United States. There are only 10,000 loans available under the ARC program – meaning that the program will only help a small fraction of small businesses get back on their feet. About one out of every 3,000 small businesses will secure an ARC Loan.

Some Lenders may refuse to participate: Due to the lack of principal payments for the first full year: Even though the ARC loans are 100% guaranteed by the SBA, participating lenders are not allowed to charge fees for these loans to offset any administrative costs they may incur.

Lenders Lack of Financial Muscle: Many lenders may not have the financial strength to process and finance the loans. The demand for these loans is very high. Lenders are currently struggling to see if they have the financial, managerial and administrative capacity to participate in the ARC Loan program.

Strict eligibility requirements: Businesses are required to show that they were either profitable or maintained a positive cash flow in at least one of the past two years. A business also needs to demonstrate — via quarterly cash flow projections — its ability to meet current and future debt obligations, including future repayment of the ARC Loan.

### About Rainmaker

Rainmaker recognizes that the needs of small- to mid-sized enterprises are more diverse, more challenging and more immediate than those of any other business segment. As part of the fastest-growing sector of the U.S. economy, these small business enterprises are always changing and require new strategies, processes and capabilities to gain competitive advantage. Rainmaker specializes in the Business of Business™ and has revolutionized the business consulting industry by providing the finest, most comprehensive, integrated professional business consulting services and solutions at a price that small- to mid-sized businesses can afford.

What is a Rainmaker? In Aztec and other world mythologies, a Rainmaker brings rains to the earth to make things grow – giving man the sustenance he needs to live.

- More

## SBA Releases Long-Awaited ARC Loan Program, continued

In the modern world, a Rainmaker is an individual who is very successful in bringing in business to his company or firm – an individual who generates a large amount of business and consistently brings in money and/or business opportunities at critical times.

Just as too little rain causes drought and prevents vegetation (or a business) from thriving, too much rain causes flooding and devastation. Likewise, too much business over a limited period of time can stretch the management and operational resources of a business to the point of destruction. Rainmaker has developed a delicate balance in the management of its client engagements.

**Rainmaker Government Services** Unit specializes in consulting with existing and potential GSA schedule holders, SBA 8(a), small, disadvantaged businesses and HUB-Zone businesses and Service-Disabled Veteran-Owned Small Businesses. **Rainmaker's Business Consulting Practice** includes Strategies & Operations; Marketing; Human Capital; Publishing; Staffing; Professional Motorsports and Transportation.

For additional information regarding Rainmaker Consulting, the ARC Loan program or doing business with the U.S. Federal Government, please contact Laura Goldey, Director of Global Communications, at [Laura.Goldey@RainmakerLLC.com](mailto:Laura.Goldey@RainmakerLLC.com).

X X X