



*Rosenthal to Lead Banker Education Effort:*

## **CDC GEARS UP FIRST MORTGAGE POOLING PROGRAM TO INCREASE LENDING CAPABILITIES FOR BANKS**



Ken Rosenthal

CDC Small Business Finance has begun assembling loans under a new Small Business Administration (SBA) secondary market program to help banks increase their lending to small businesses.

Through the first-mortgage pooling program, banks will sell 85 percent of their first mortgage on SBA-504 loans to the secondary market, providing increased liquidity and ability to offer more competitive variable and long-term fixed rates to borrowers. Secondary market investors will receive an 80 percent guaranty on these loans.

“The program is designed to help jump-start the stalled secondary market for SBA-504 loans and further improve access to financing for small businesses,” said Ken Rosenthal, CDC’s new Senior Advisor of Lending, Education and Training.

Rosenthal, a 20-year veteran of small business financing, was recently promoted to educate California, Arizona and Nevada commercial bankers about the new program, part of the American Recovery and Reinvestment Act. It’s designed to help stimulate lending to small businesses for the purchase of owner-user commercial real estate and equipment.

“Rosenthal’s lending expertise and knowledge of SBA financing will be instrumental in helping banks generate new income and capital relief through this program” said Kurt Chilcott, president and CEO of CDC Small Business Finance.

In his new position, Rosenthal will also provide training on other CDC lending products and services as well as help certified development companies (CDC) across the country strengthen their marketing programs in order to raise SBA-504 production nationally. Additionally, he will initiate education programs for Certified Public Accountants and commercial real estate brokers on the benefits of SBA financing to their small-business clients.

Rosenthal has worked as a loan officer for CDC Small Business Finance in the company's San Diego office for the last 20 years, generating an average of \$100 million annually in financing for small businesses.

Replacing Rosenthal in CDC's San Diego office is Jeff Bolton. Bolton has provided small businesses in Southern California more than \$100 million in SBA-504 financing over a nine-year span.

The 504 program is designed to lend money to businesses to purchase commercial real estate to house their companies. The small business owner down-payment requirement is 10 percent of the total purchase price. A bank lends 50 percent in first position and a certified development company lends 40 percent. The CDC loan is guaranteed by the SBA.

CDC Small Business Finance – the nation's largest 504 lender – has taken a proactive role in promoting the first-mortgage pooling program to the lending community.

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