

# COLEMAN REPORT LIVE!

OCTOBER 24, 2022

*Coleman* Certified SBA 7(a) Loan Training

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# Certificate of Participation



## Coleman's Certified SBA 7(a) Loan Training

Attended Coleman's Certified SBA Loan Training Coleman Report Live!

**October 24, 2022**

A handwritten signature in blue ink that reads "Lance Sexton".

Lance Sexton, Coleman Faculty Instructor

A handwritten signature in blue ink that reads "Bob Coleman".

Bob Coleman, Founder, Coleman Report

Office Hours Attendee

**Coleman** **Certified SBA 7(a) Loan Training**



Commercial Lending

# Insights

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October 2022



# SMALL BUSINESS INDICES – AUGUST 2022



## **Small Business Lending Index:**

- The Equifax Small Business Lending Index (SBLI) seasonally adjusted originations increased 10% from 135.7 in July 2022 to 149.2 in August 2022. Compared to the same month one year ago, the three-month rolling index is down 3% and has been down year-over-year for 5 consecutive months.

## **Small Business Delinquency 31-90% Index:**

- US SBDI 31-90% increased 1 bp from 1.29% in July 2022 to 1.30% in August 2022, the fourth consecutive month-over-month increase. Retail decreased 3 bps and Agriculture decreased 1 bp while remaining segments had increases: Transportation 8 bps, Health Care 3 bps, and General and Construction 1 bp.

## **Small Business Default Index:**

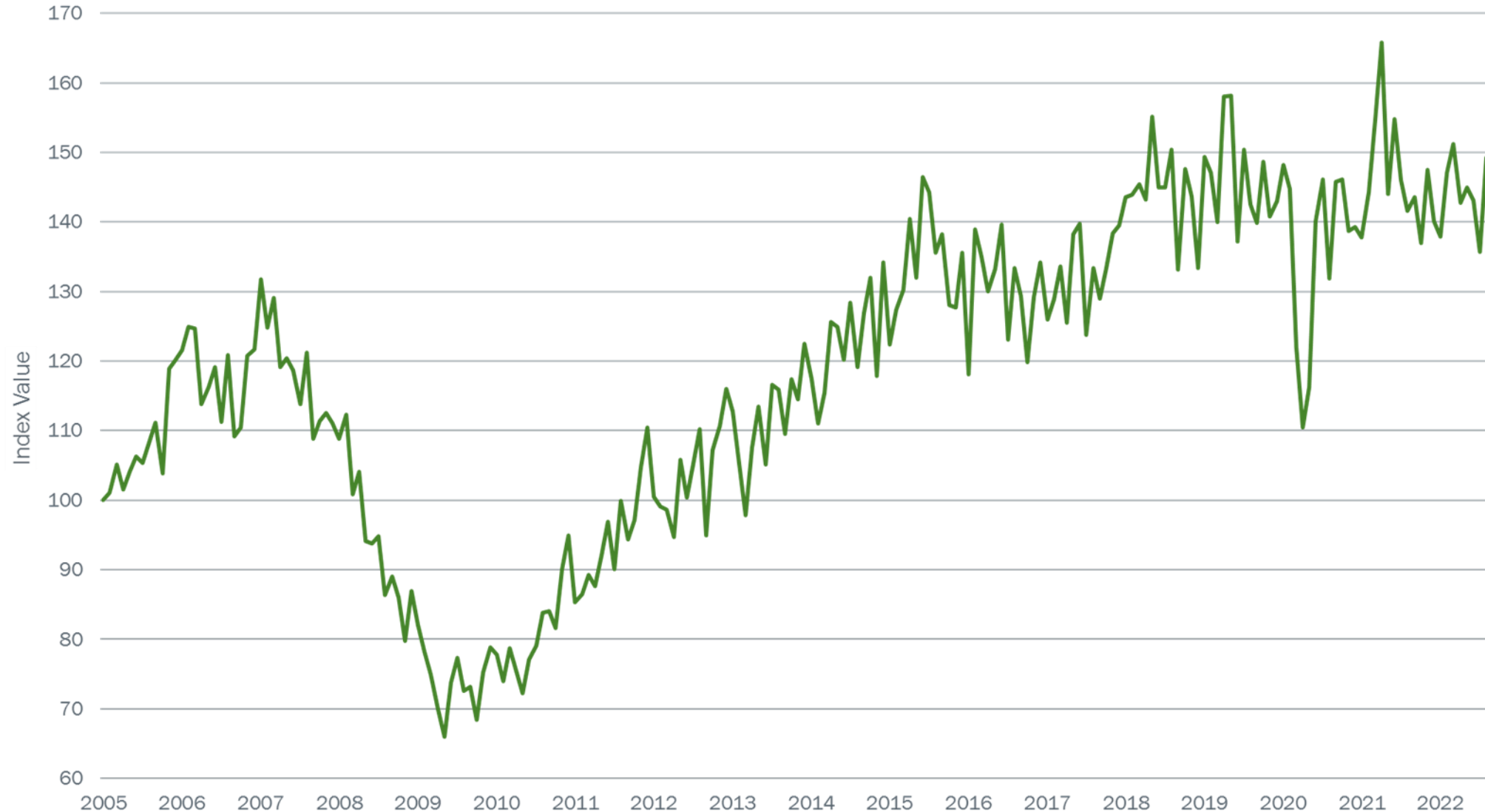
- US SBDFI increased 2 bps from 1.78% in July 2022 to 1.80% in August 2022. As compared to one year ago, default decreased 58 bps (25%).

# Small Business Lending Index (SBLI)



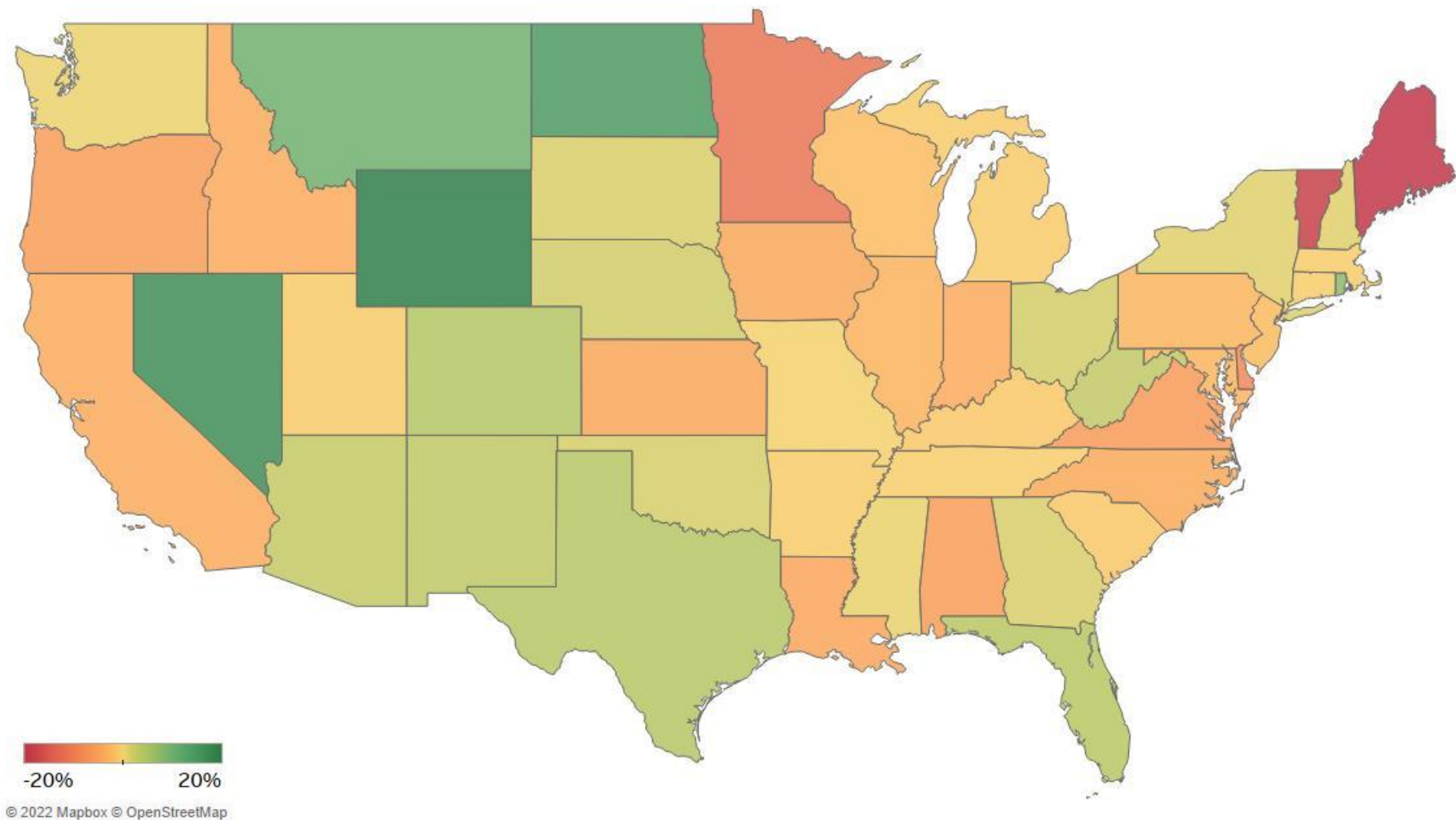
# SMALL BUSINESS LENDING INDEX (SBLI)

JANUARY 2005–AUGUST 2022



# SBLI YEAR-OVER-YEAR CHANGE

AUGUST 2022 VS. AUGUST 2021



# SBLI NATIONAL BY INDUSTRY

AUGUST 2022 VS. AUGUST 2021

Industry	YoY % Change
Public Administration	-20%
Transportation and Warehousing	-9%
Wholesale Trade	-8%
Mining, Quarrying, and Oil and Gas Extraction	-8%
Educational Services	-8%
Administrative and Support and Waste Management	-3%
Retail Trade	-2%
Arts, Entertainment, and Recreation	-2%
Finance and Insurance	-1%
Construction	1%
Manufacturing	1%
Professional, Scientific, and Technical Services	1%
Real Estate and Rental and Leasing	1%
Agriculture, Forestry, Fishing and Hunting	2%
Health Care and Social Assistance	4%
Other Services (except Public Administration)	6%
Accommodation and Food Services	17%
Information	30%
Overall US	-1%

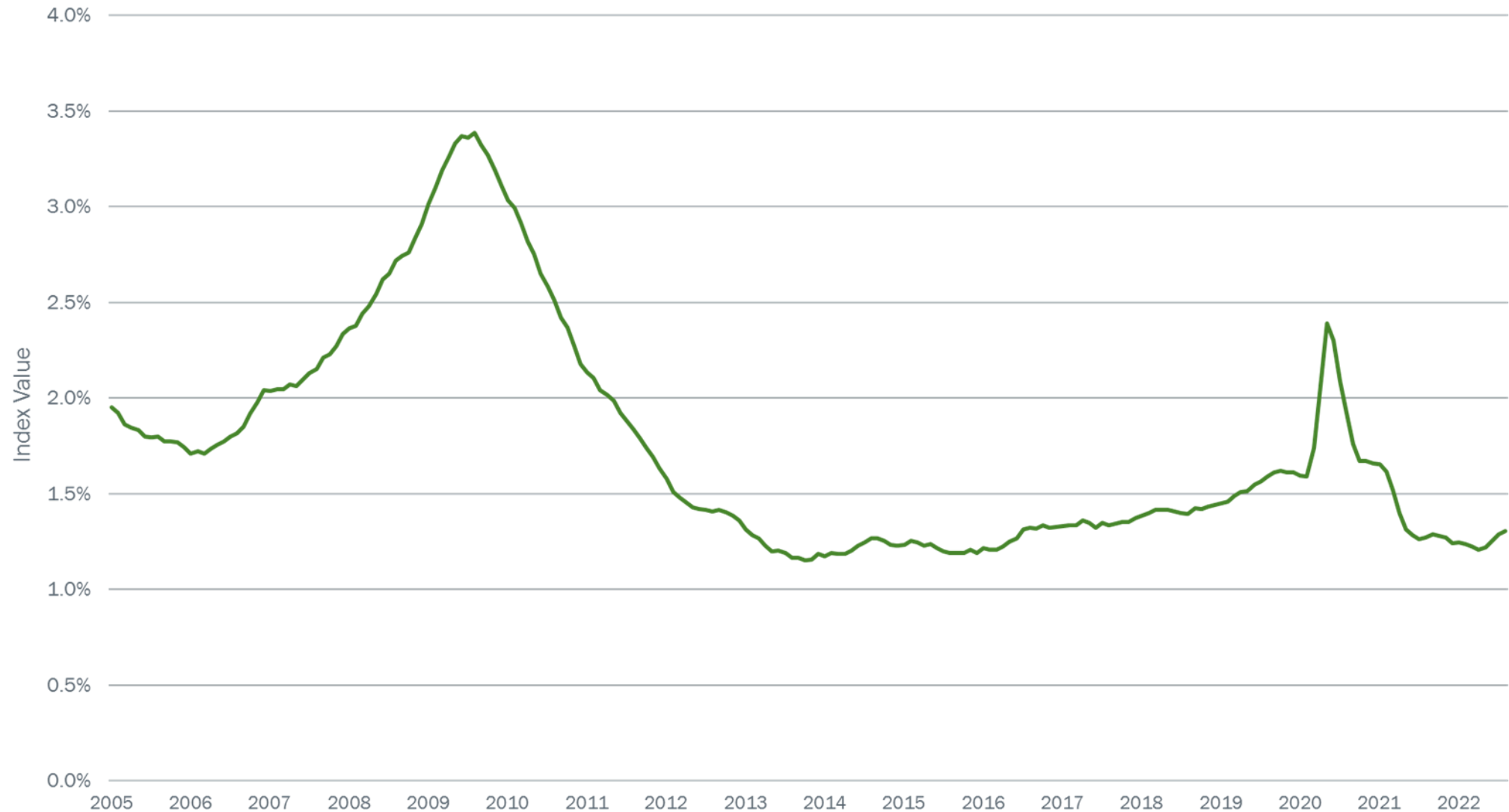


# Small Business **Delinquency Index (SBDI)**



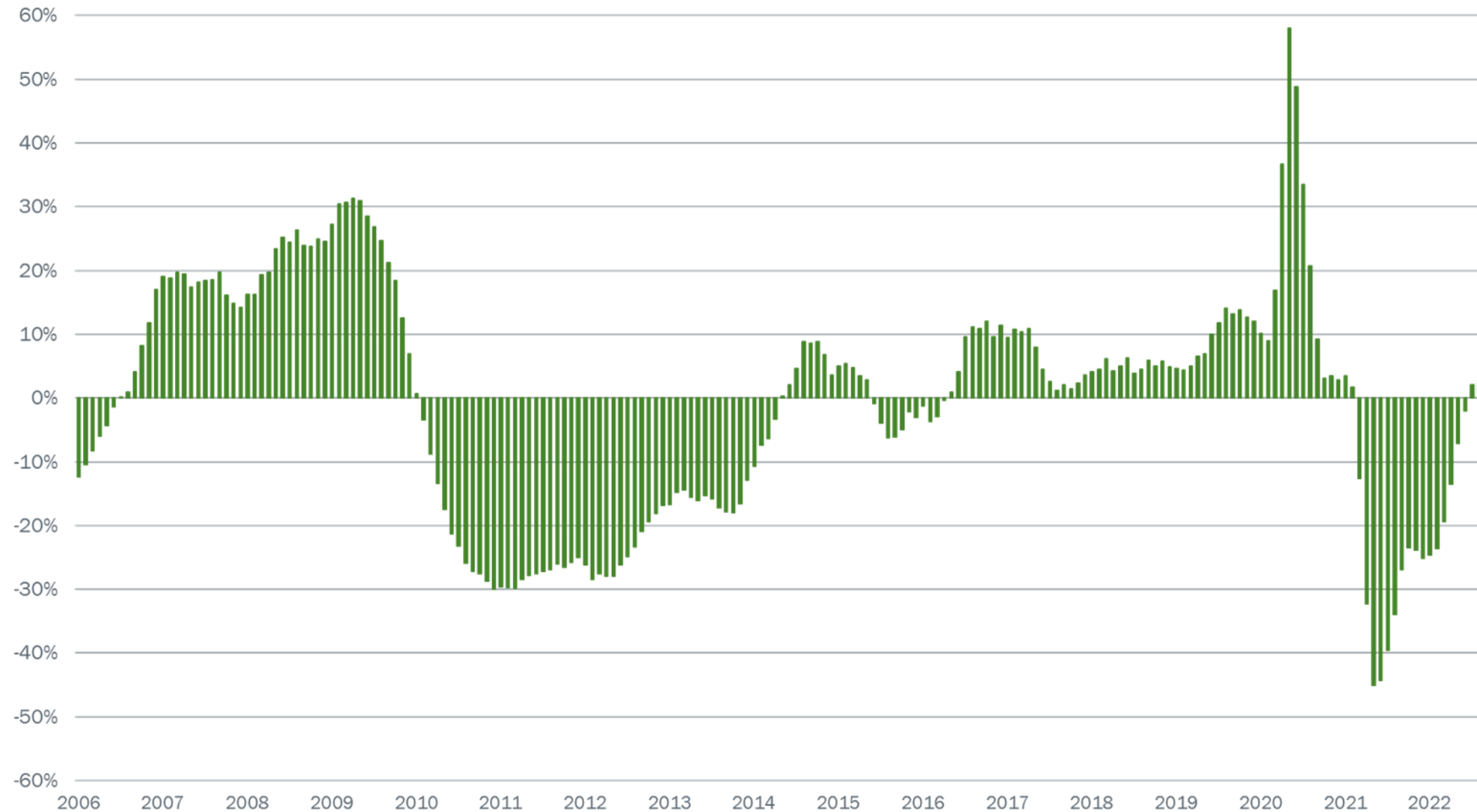
# SMALL BUSINESS DELINQUENCY INDEX (SBDI) 31-90%

JANUARY 2005–AUGUST 2022



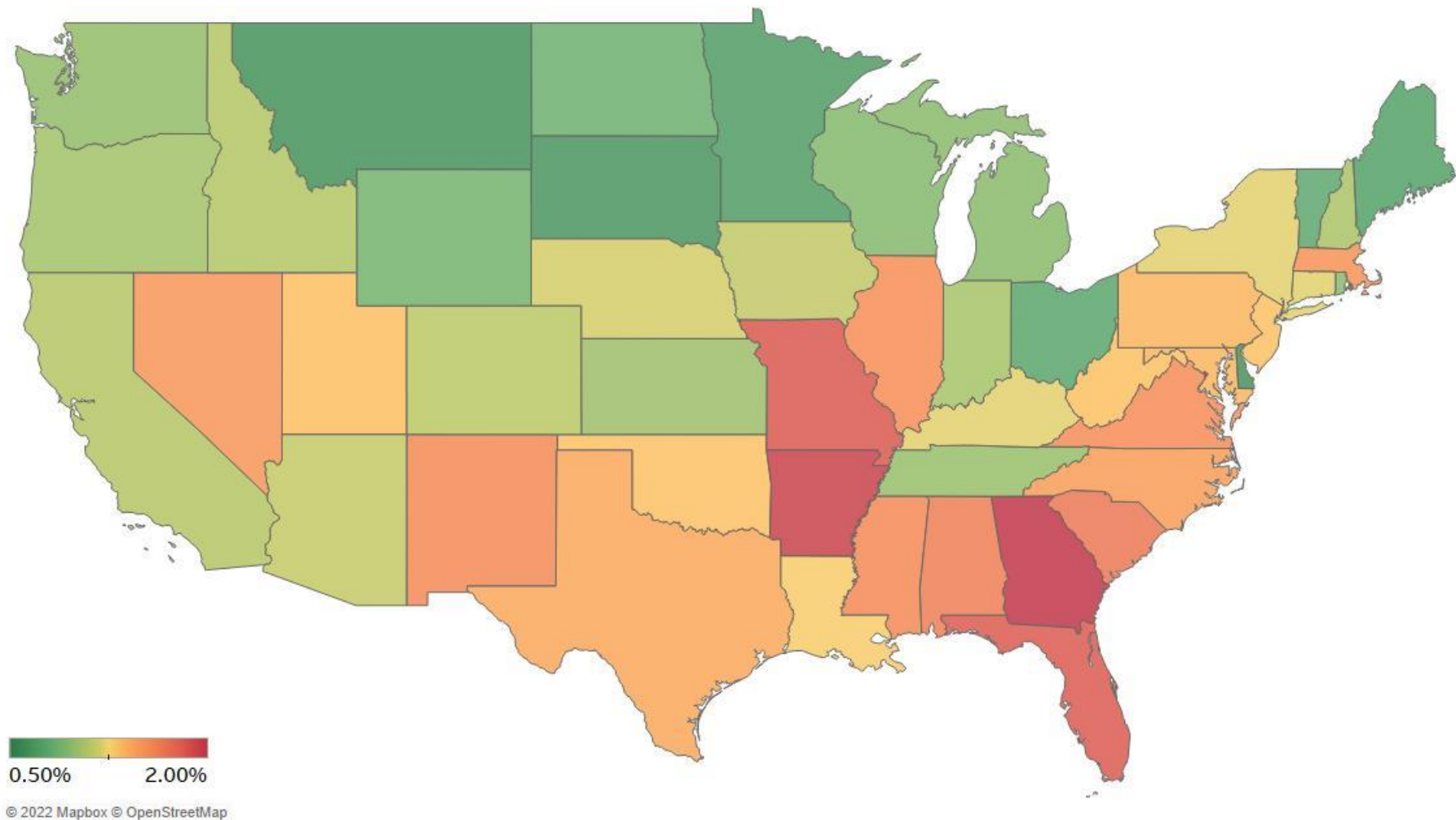
# SBDI 31-90% YEAR-OVER-YEAR CHANGE

## JANUARY 2006–AUGUST 2022



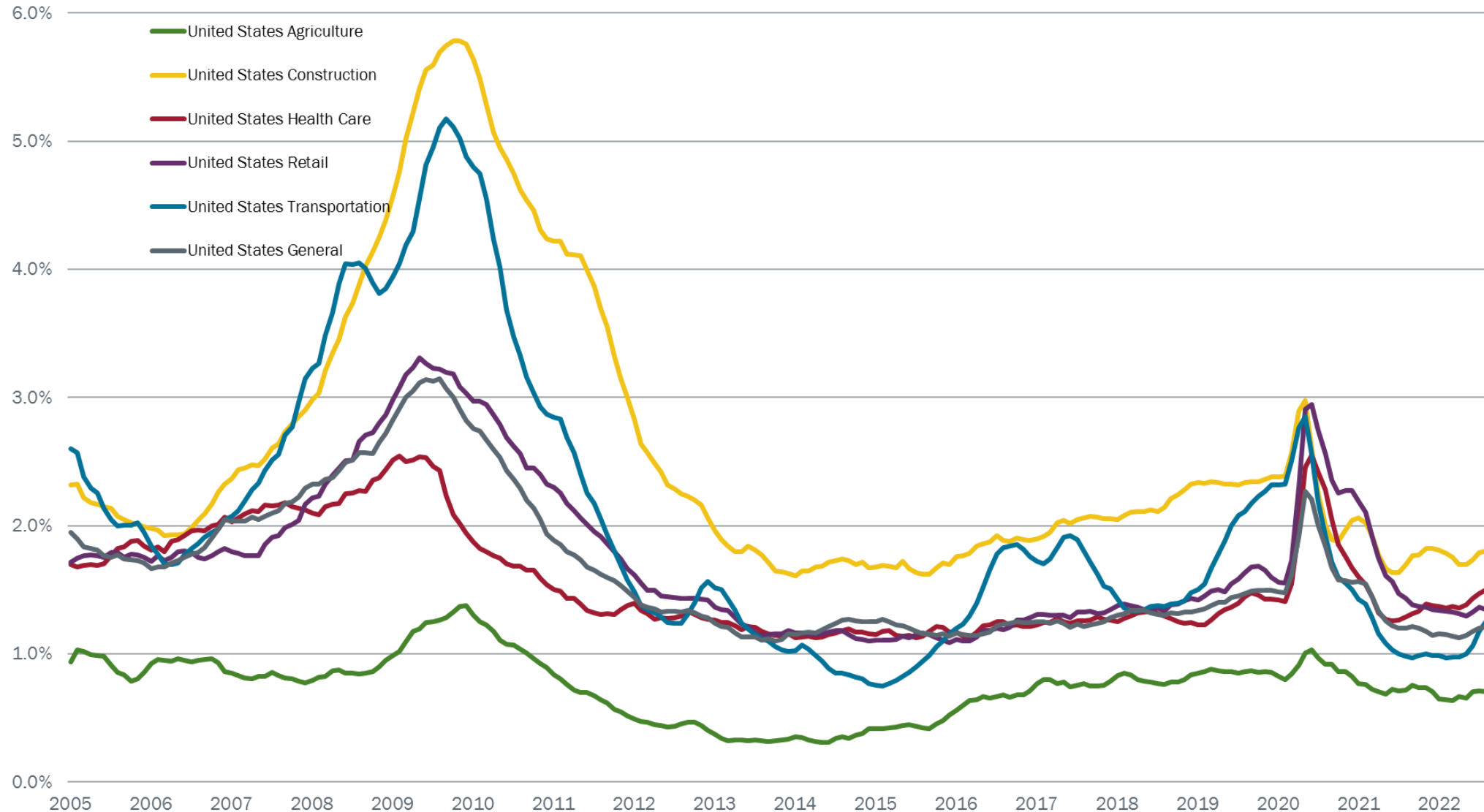
# SBDI 31-90% INDEX VALUES

AUGUST 2022



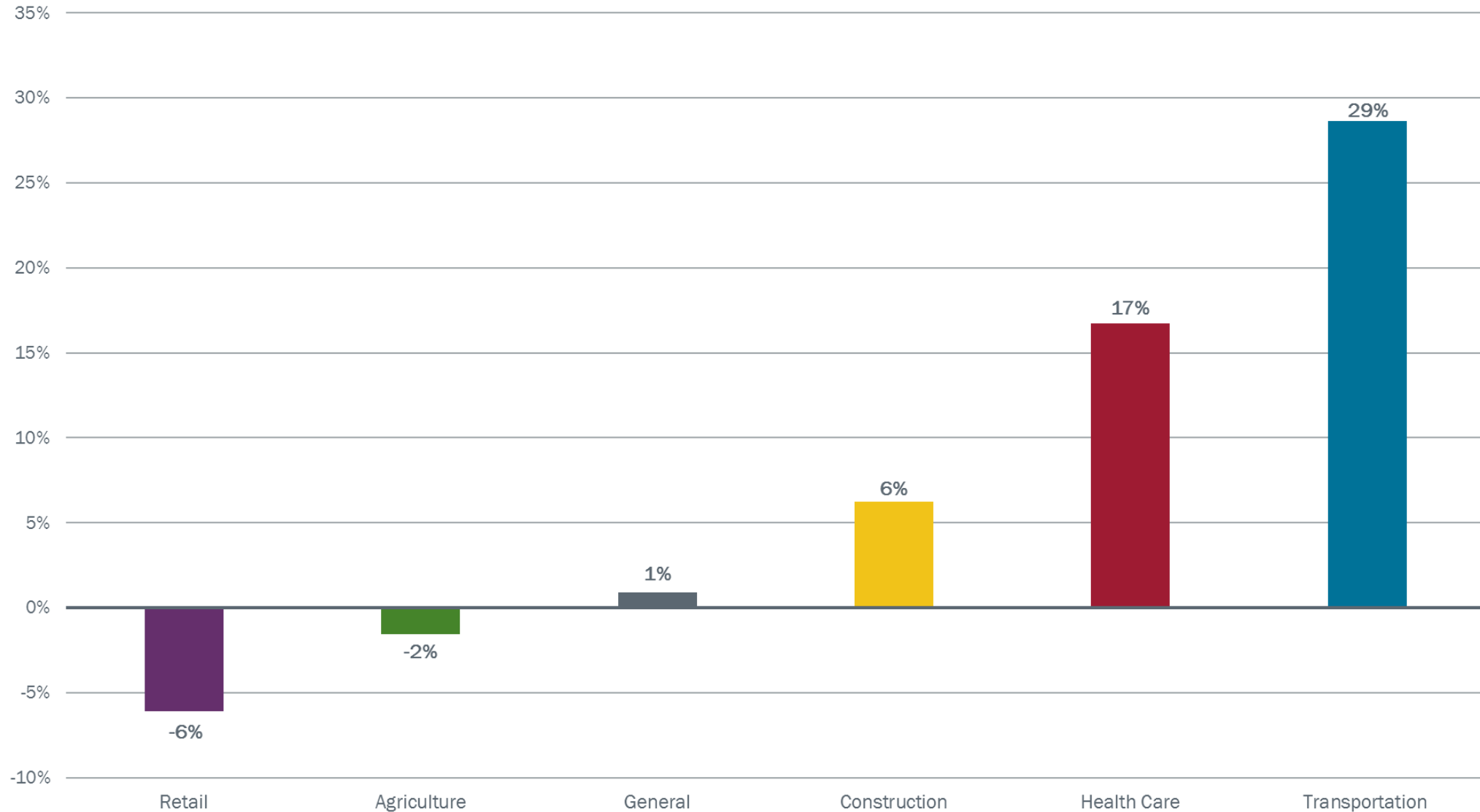
# SBDI 31-90% NATIONAL BY INDUSTRY

## JANUARY 2005–AUGUST 2022



# SBDI 31-90% NATIONAL BY INDUSTRY

## AUGUST 2022 VS. AUGUST 2021

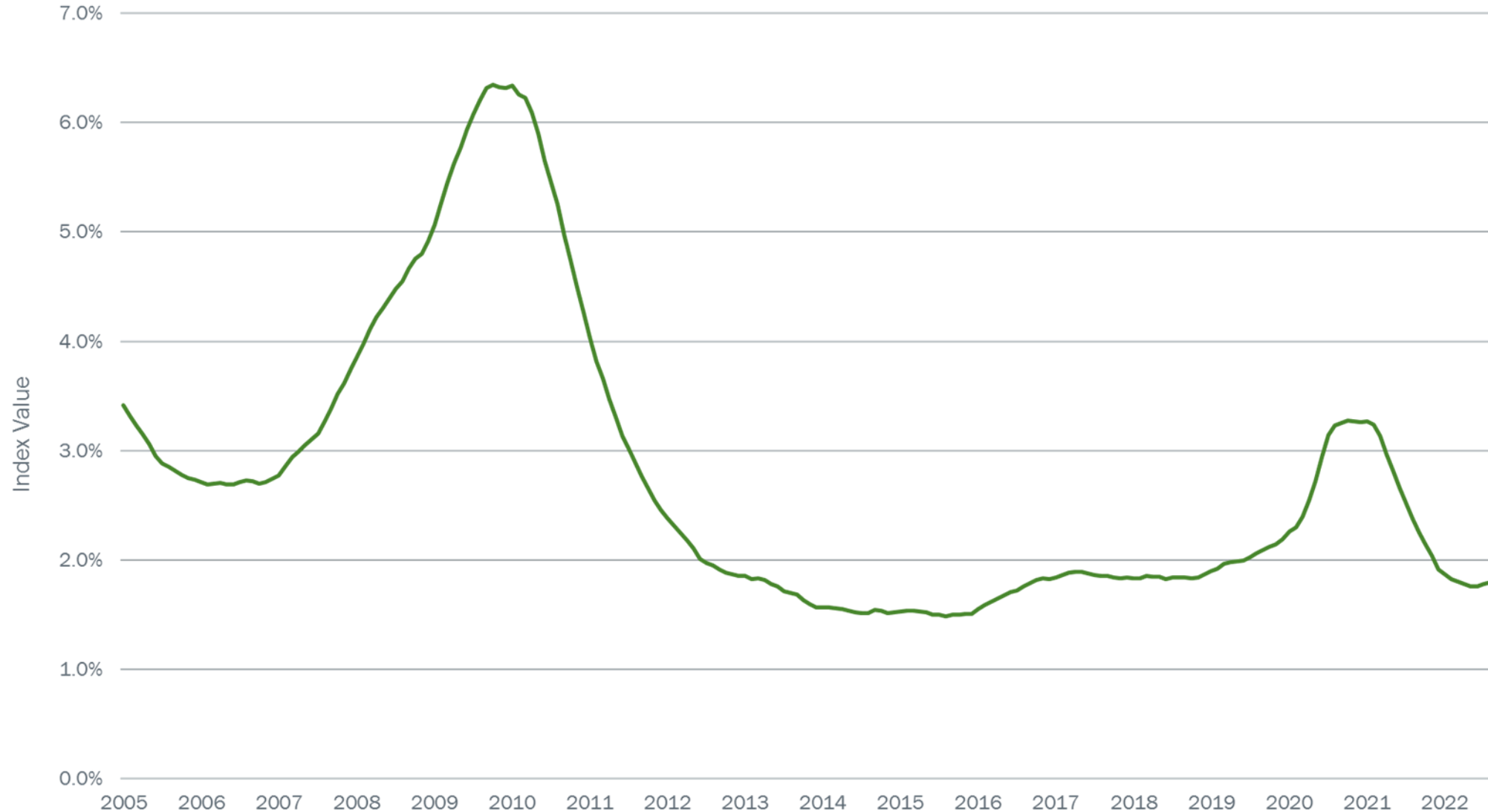


# Small Business **Default Index (SBDFI)**



# SMALL BUSINESS DEFAULT INDEX (SBDFI)

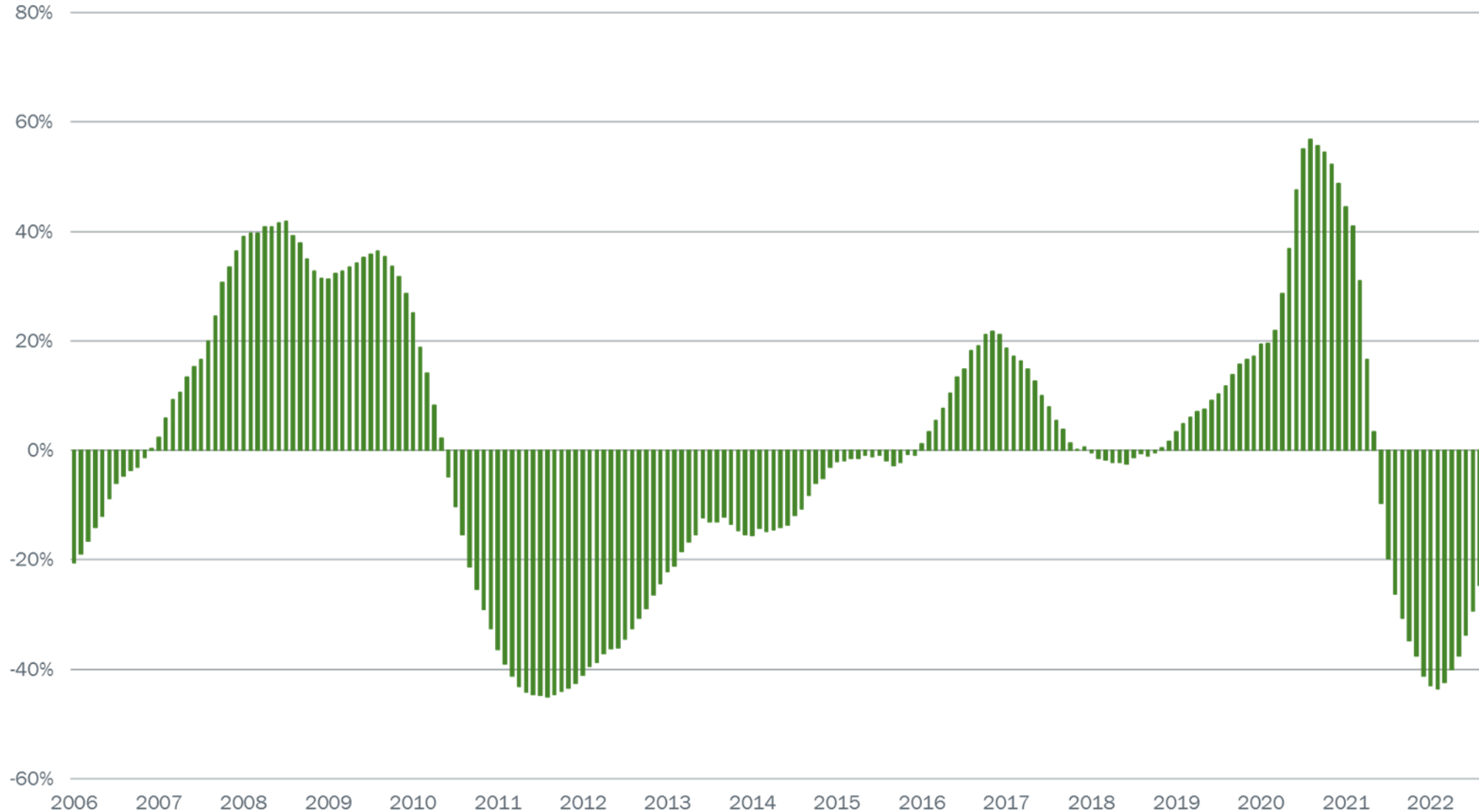
JANUARY 2005–AUGUST 2022





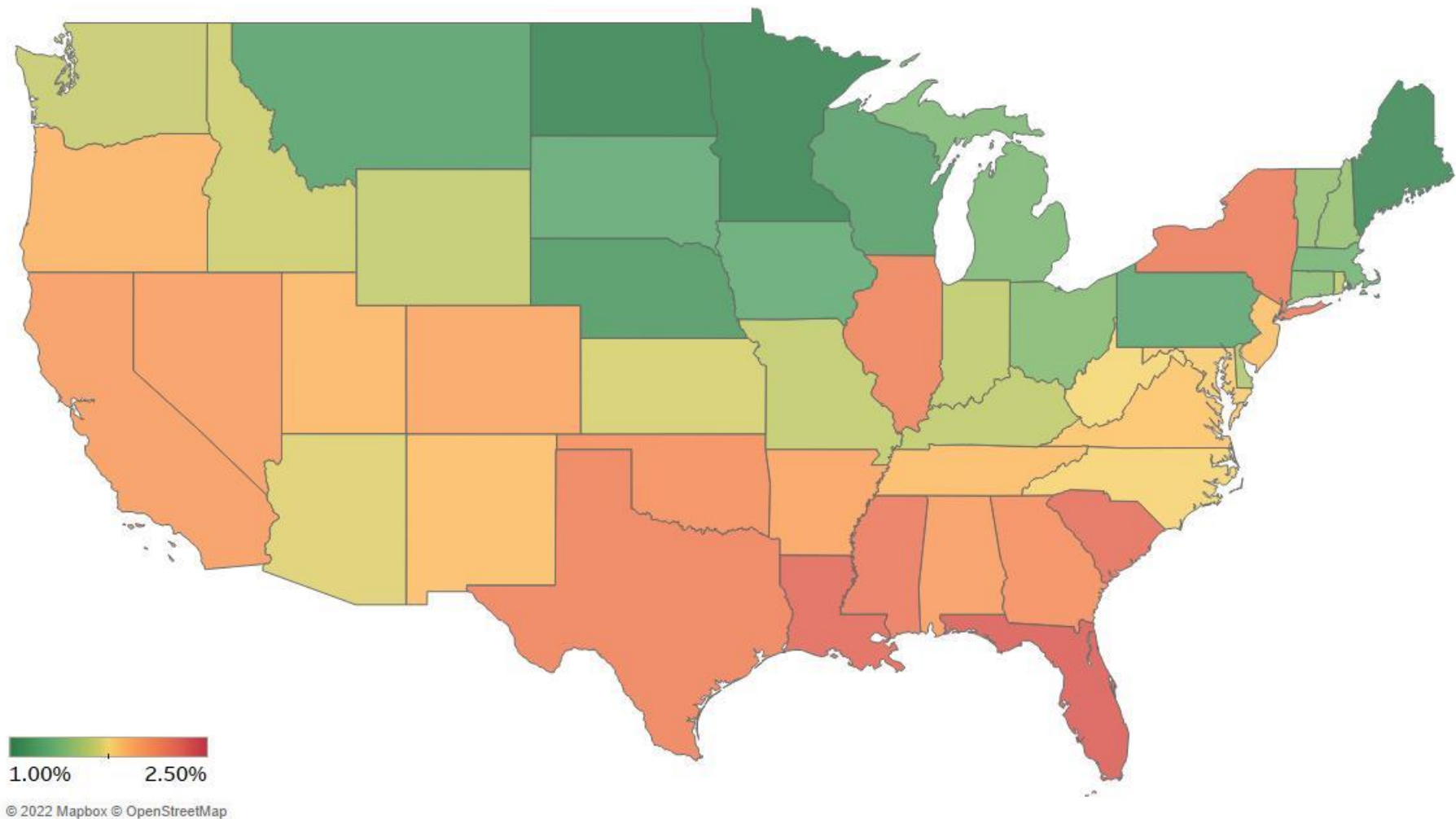
# SBDFI YEAR-OVER-YEAR CHANGE

JANUARY 2006–AUGUST 2022



# SBDFI INDEX VALUES

AUGUST 2022



# SBDFI NATIONAL BY INDUSTRY

## AUGUST 2021

Industry	YoY % Change	MoM % Change	Aug-22
Public Administration	26%	18%	1.3%
Finance and Insurance	1%	-1%	1.8%
Construction	-7%	1%	2.0%
Professional, Scientific, and Technical Services	-12%	3%	2.2%
Real Estate and Rental and Leasing	-12%	2%	1.5%
Educational Services	-20%	6%	1.3%
Health Care and Social Assistance	-24%	-1%	2.0%
Agriculture, Forestry, Fishing and Hunting	-26%	-1%	1.8%
Retail Trade	-27%	-1%	1.5%
Other Services (except Public Administration)	-27%	2%	1.4%
Administrative and Support and Waste Management	-30%	1%	1.7%
Wholesale Trade	-30%	-1%	1.3%
Manufacturing	-35%	1%	1.8%
Transportation and Warehousing	-41%	2%	1.6%
Information	-44%	-3%	2.9%
Arts, Entertainment, and Recreation	-53%	-3%	0.8%
Accommodation and Food Services	-55%	4%	2.2%
Mining, Quarrying, and Oil and Gas Extraction	-58%	-1%	1.2%
Overall US	-25%	1%	1.8%

# ACTUAL AND PREDICTED DEFAULT RATES AS OF 7/1/2022

## FROM SBDFI AND ABSOLUTE<sup>®</sup>

Industry Segment	Actual Historical Default Rates				Forecast Default Rates	
	2018	2019	2020	2021	2022	2023
Information	3.9%	3.4%	6.0%	3.7%	3.1%	3.3%
Accommodation and Food	2.6%	3.4%	7.0%	3.2%	2.7%	3.3%
Professional Services	1.7%	2.1%	3.1%	2.2%	2.0%	2.1%
Manufacturing	1.8%	2.3%	3.4%	2.1%	2.0%	2.3%
Health Care	2.1%	2.1%	3.8%	2.0%	2.3%	2.6%
Agriculture	2.1%	2.1%	3.0%	2.0%	2.0%	2.2%
Transportation	3.0%	4.9%	4.8%	2.0%	2.1%	2.7%
Construction	2.1%	2.5%	2.8%	1.9%	2.3%	2.7%
Administrative Services	2.1%	2.3%	3.2%	1.9%	1.9%	2.3%
Mining	2.5%	1.8%	3.5%	1.8%	1.8%	2.0%
Retail	1.7%	2.4%	3.2%	1.7%	1.7%	2.2%
Finance	1.4%	1.8%	2.5%	1.7%	2.0%	2.2%
Real Estate	1.6%	1.7%	2.6%	1.6%	1.7%	2.4%
Wholesale	1.7%	1.7%	2.6%	1.5%	1.5%	1.9%
Other Services	1.6%	1.8%	2.6%	1.5%	1.9%	2.3%
Education	0.8%	1.1%	2.3%	1.2%	1.9%	2.7%
Entertainment	1.0%	1.6%	2.8%	1.2%	1.2%	1.9%
Public Administration	0.8%	0.7%	1.6%	0.8%	1.6%	2.3%
All Industries	1.9%	2.2%	3.3%	1.9%	2.0%	2.4%

Forecast defaults based on existing portfolio  
\$1MM or less of total exposure  
2022 Forecast Includes 2 Quarters of Actual Defaults

# Documentation Required for Quick SBA Payment of Charged-Off Express Loans — Webinar 10/26



## A Coleman Webinar

Date: Wednesday, October 26, 2022

Time: 2:00 p.m. Eastern

- What you need to know about Early Default SBAExpress PDKs
- How to complete the Wrap-up Report
- Proactive tips to enhance Payment Prospects
- The differences between SBAExpress purchases and regular 7(a) purchases
- Expedited SBAExpress purchase procedures
- Bankruptcy tips and the PDK
- Additional requirement for the PDKs with these special loan programs:
- How to handle repair "negotiations" with SBA
- What to do when faced with a loan guaranty denial by SBA
- What you need to know about the False Claims Act and SBAExpress Purchases

*Coleman* **Certified SBA 7(a) Loan Training**

# Coleman SBA 7(a) Loan Closer and Underwriting Training Meet and Greet



- Coleman's AWARD WINNING Certified SBA 7(a) Loan Closer Training for **SOP 50 10 6**
- Coleman's Certified SBA 7(a) Loan Servicing/Liquidation Training
- Coleman Certified SBA 7(a) Loan Underwriting Training for **SOP 50 10 6**

**December 6, 2022**

**2:00pm ET**

# Upcoming Webinars



SBA Express Purchase Demand Kit - Servicing/Liquidation  
10/26

NEW SBA SOP 50 10 6(a)  
11/2 and 11/9

Closing Construction  
11/16

SBA Express Credit Memo - Underwriting  
11/30

## Questions

Please submit course content questions to [bob@colemanreport.com](mailto:bob@colemanreport.com)  
and [lance@colemanreport.com](mailto:lance@colemanreport.com)

Please submit technical requirements questions to  
[joseph@colemanreport.com](mailto:joseph@colemanreport.com)