

# A Coleman Conversation: Chris Allen

May 6, 2026

**BC** **Bob Coleman** 2:52

Welcome to a Coleman conversation. Pleased to invite Chris Allen, Senior Vice President, SBA 504 Sales Manager of Lift Fund. Chris, welcome.

**CA** **Christopher Allen** 3:03

Thank you, thank you, Bob. Great to be here.

**BC** **Bob Coleman** 3:06

Chris, when I first met you, we were down in Mid-America Lenders Conference of San Antonio. You and I were slotted for a three-hour presentation. And after I got to know you and that, you and I could have talked easily for twice that amount of time. So thank you very much for joining us. We're going to

**CA** **Christopher Allen** 3:17

Yeah.

**BC** **Bob Coleman** 3:24

fun time. So first of all, let me ask you the hard question. Lift Fund, you're a CDC. Obviously, if I look on your screen, I love the name. How'd you guys come up with that?

**CA** **Christopher Allen** 3:25

Absolutely.

Well, Lift Fund's history, we started out in 1994 as Axion, Texas. And we were CDFI.

**BC** **Bob Coleman** 3:44

Ohh, OK.

**CA** **Christopher Allen** 3:49

started by Janie Barrero, who's in San Antonio. She's an icon, but she started it as Accion Texas to kind of to cater to the.

to the Hispanic community there in San Antonio. She had connections with several banks and they had loaned her some money to be able to help the Hispanic community in San Antonio. And Lift Fund kind of determined that, or Axion Texas at that time figured out they were doing the majority of the Axion

**BC** **Bob Coleman** 4:12

Awesome.

**CA** **Christopher Allen** 4:21

the loans in the Axion Group. So they broke away and changed their name to Lift Fund in about 2010, 2013, somewhere in that vicinity. And they became a CDC in 2010. They bought, I believe, the San Antonio, City of San Antonio CDC, and then expanded it. And then I showed up in 2018.

to kind of help grow the CDC side. Our products are pretty unique. You know, where it's a CDFI, we're more of a micro lender and we do community advantage loans up to 350. We're one of the largest in the nation. Last year we were voted CDFI the year by the organization that votes that. I'm not on that side of the company, so I don't know exactly how that all works, but we all had a great accolade with that. But our program is more about the 504 being the income generator.

to be able to fund the CDFI loans and the community advantage loans. So it's a very yin and yang kind of relationship between the two of us. They brought me on in 2018 to try to grow this 504 program and be more profitable to be able to provide more capital for us to loan out.

**BC** **Bob Coleman** 5:24

Sure, absolutely.

We've thrown out a lot of acronyms and so on this for people who don't know all this. First of all, 7A versus 504 under the SBA umbrella, two completely different products. Give me a 101 on 7A versus 504 and why 504 is such a great loan product for Main Street.

**CA** **Christopher Allen** 5:54

Yes.

Yeah.

What?

**BC** **Bob Coleman** 6:03

And I told you, Chris, I was gonna ask you tough questions.

**CA** **Christopher Allen** 6:04

Yeah.

That's, hey, you know, you know, as you know already, Bob, I like to talk. So on the 7A, I actually started my career in 7A. I ran my own shops a couple of times and

**BC** **Bob Coleman** 6:10

Yeah.

Yeah, yeah. Well, now you're going, see, you're going off script because my next question is, so I'm going to let you, is why you move from 78 to 504. So given all that, go ahead, man.

**CA** **Christopher Allen** 6:19

I'm sorry.

Yeah.

Yeah.

Okay, okay. Well, yeah, as far as 7A goes, 7A is a single loan program where the bank goes out, they make the loan directly, they go out and get the SBA guarantee from the government. They have to know the program, they have to adhere to the rules.

And then there's always the opportunity for on 7A,

for you to lose your guarantee if something was gone or wrong when you did the deal to begin with. So the big difference between that and a 504, 504 from a

bank point of view is a conventional loan. Charge your own fees. You take, you know, the risk is at 50% LTV. And if honestly in Texas,

If you're loaning at 50% LTV and you're losing money, you're probably making the wrong loans. So that being said, the 504 loan is really a great product. As I

mentioned, whenever we had our training course, I feel like it's the best kept secret in SBA because it is a fixed rate loan for 25 years.

**BC** **Bob Coleman** 7:10

I.

**CA Christopher Allen** 7:26

where most 7As are floating. Our rate last month was about 5.92, which is a great rate, well below prime, which is kind of the MO for the 504 program. I mean, we're doing well, but you know, it was much easier to sell on 504 whenever we were at 3.2 or 2.7 or whatever the number was a few years ago. But

**BC Bob Coleman** 7:37

Yeah, absolutely.

**CA Christopher Allen** 7:49

Still a good program.

**BC Bob Coleman** 7:50

Those were the days. No, absolutely, you can't beat those rates. Now, I was shocked because I read the SOPs and also the 504 clearly says this is for real estate. Oh, by the way, we'll also do equipment. I never heard of a 504 CDC doing equipment.

**CA Christopher Allen** 7:52

Yeah.

Mhm.

**BC Bob Coleman** 8:11

And then you get up on the stage and you say, hey, I did an equipment loan. Tell me about that.

**CA Christopher Allen** 8:15

Yeah.

Well, I like equipment loans within 504. You know, obviously, it's all about useful life with a 504. So if you've got equipment that's only valued at a 10-year useful life, then you're going to have a 10-year debenture. So the debentures run 10, 20, and 25. The ones that we've been most successful is when you've got one large piece of equipment.

**BC** **Bob Coleman** 8:24

Sure.

**CA** **Christopher Allen** 8:40

When we did one a few years ago where it was it was a little bit more of a of a single piece of equipment as a \$10 million piece of equipment needed a \$4 million bunker because it was dealing with x-rays and it was dealing with sterilization.

**BC** **Bob Coleman** 8:42

Yeah, tell me about it.

**CA** **Christopher Allen** 8:59

And, you know, this company has some huge contracts with some national players. And they're just running things through this x-ray machine 24 hours a day, 3 shifts, running as much as they can get through. The trucks come in, they go out the other side. And it was big in COVID. But that piece of property we did as a 504 equipment only. for about a \$14 million project cost. The bank did the land and did the building conventionally. So it was a really good, we took the risk basically that the bank didn't want to take. And in doing that, we actually did that deal as a green project.

**BC** **Bob Coleman** 9:22

Wow.

Wow.

**CA** **Christopher Allen** 9:41

Equipment only, which I don't know of anybody else in the country that's done that, so we're very proud of that, yeah.

**BC** **Bob Coleman** 9:45

No, and neither do I. That's why I was shocked. Good for you. Isn't it fun as a lender to come across these deals that you go, what, you do what?

**CA** **Christopher Allen** 9:58

It is. I mean, I've kind of made my living. You know, I started out doing, you know, like I said, 7A stuff. So I've turned all the people that I've worked for into my clients, which has been a very successful opportunity for me. But I've always been that guy that enjoys the challenge. I guess I do a lot of Sudoku or something, but I do. I like the challenge.

of figuring out how we can do a deal that somebody else can't get done. I mean, we've done, we've done race tracks where we've done a 3.1 mile rd course up here in this area. That's a country club for cars. We do, you know, the soccer fields where you've got public private partnership where the city may donate the land or lease the land to our guy. I mean, we, I actually love those kind of challenges. That's kind of my MO. I know a lot of the CDCs around here, when they can't get something that they can't do, they call Chris. So.

**BC** **Bob Coleman** 10:56

And that's the spirit of SBA.

**CA** **Christopher Allen** 10:58

I believe it is. I absolutely believe it is.

**BC** **Bob Coleman** 10:59

Yeah, no, absolutely. How many people back to the sterilization bunker, how many people do they employ?

**CA** **Christopher Allen** 11:06

The.

I think it's at 300 total. It's huge. I mean, it's like a, it's about 104, 105,000 square foot storage facility where they store, but it's real transient. Like I said, the trucks come in, they unload, they run it through the sterilization.

**BC** **Bob Coleman** 11:11

Yeah, not amazing.

And then.

**CA Christopher Allen** 11:28

And then, within a day or so, they're back on another truck going out, so...

**BC Bob Coleman** 11:29

Okay.

Well, what a great story. But you also do now tell me about Community Advantage, because that is a 7-8 product, but you're a CDC. So tell me about that.

**CA Christopher Allen** 11:38

Yeah.

Yeah, they opened up the CDFIs and the CDCs had been there. I had had the opportunity to make community advantage loans before, but they opened up the CDFIs to be able to do that not too long ago, maybe a few years ago. But we have always been very active in that. We're actually in 17 states doing community advantage. We're in all 50 for micro. But, you know, we are very active in that. The community advantage loans for us, they are a 7A loan, max of a \$350,000 loan. It carries a full 75% guarantee. We underwrite our own. We are a POP in that. So it's really a quick process for us to do it.

It is our own money and we're a nonprofit. So we are a little bit, a little bit more protective. Yeah, a little bit more protective of that money. But I'll be honest with you. I mean, Lift Fund is in some ways the lender of last resort sometimes because our rates are higher. We want the declines that the bank has.

**BC Bob Coleman** 12:29

As you should, yeah, yeah, as you should, right?

**CA Christopher Allen** 12:44

That's kind of what where we make our living on that. We get a little more involved. We get a little more of a little bit more training, a little bit more of a counseling for their borrowers. So it's kind of a, it's a very interesting, interesting business because not only do we do we counsel our borrowers, but we also try to make them you know, go back to the bank that brought us. That's our win, is to have somebody come in where a bank says, I can't do your loan, go talk to Lift Fund. Lift Fund goes

and makes a small loan to them, either 50 or 100 or 250, gets them off the ground, and then we want to present them back to the bank that brought it to us. Now they're bankable.

And that's a win for Lift Fund. We have stories all over our portfolio in the 504 side where we have people that started out with a micro loan and then we've now financed their building. And they're very successful. It's a little more, you know, 7A and 504 to a big extent too. Both SBA transactions can be very transactional.

They can be, you know, I mean, I've worked for lenders that wanted that 7A premium and they were living on that. And that's the way they made their year. And that's something we have not become on our side because our loans are so small. We have to spend so much time with them. Most of our clients

**BC** **Bob Coleman** 14:07

Sure.

**CA** **Christopher Allen** 14:11

I mean, you know, the 7A side, most lenders will say, oh, you know, 7A borrowers, they're not very sophisticated. They don't know, you know, how to put together their financial package. They need a lot of handholding. Well, we have that on steroids because we have the guys before they were actually ready to go to the bank. So we have a lot more.

A lot more interaction with our borrowers at that point, so...

**BC** **Bob Coleman** 14:34

You know, and I want, that's a pet peeve of mine, is that when people classify these smaller borrowers, well, they're unsophisticated on the financial means. No, no, they're very sophisticated. They know how to run a business. They know how to meet customer demand. They know how to hire people.

**CA** **Christopher Allen** 14:46

But.

Yep.

**BC** **Bob Coleman** 14:54

They know how to take care of their customers. No, but they don't meet the box of

all these things that you want them to give you. And therefore, because they don't give it to you in the right format, people call them unsophisticated. And I agree with you. These people are sophisticated.

**CA Christopher Allen** 14:56  
Mhm.

**BC Bob Coleman** 15:13  
but they need handholding in terms of, hey, this is what we need and we're gonna help you out. So I love your approach. Good job. Yeah.

**CA Christopher Allen** 15:16  
Yeah.  
Yeah. Well, and SBA, you know this as well as I do. I mean, SBA overall is filling a box. You know, you're trying to shoehorn this deal that lays over the edge of the box on every level, on a couple of sides, you know, and you're going to try to get your shoehorn and fit it into that box somehow. That's the whole world we have with SBA.

**BC Bob Coleman** 15:39  
No, it's, yeah, if it was easy, everyone would do it. Tell me, hey, tell me about CDFIs. I'm fascinated on that. Give me a CDFI 101 and address the elephant in the room for the CDFIs in terms of the Trump administration cutting a lot

**CA Christopher Allen** 15:45  
That's true.

**BC Bob Coleman** 16:03  
Out of the funding for them, go ahead.

**CA Christopher Allen** 16:05  
Well, and this all started actually in the Biden administration because they had cut a little bit of our national funding. It was it wasn't and I'm not saying anybody's right or wrong, but that's that that's when it all started. But what they what they cut was the national funding.

**BC** **Bob Coleman** 16:12

I stand corrected. I stand corrected.

No, no, no, no, I stand corrected. Thank you for correcting me, please.

**CA** **Christopher Allen** 16:25

for CDFIs. For the larger CDFIs, they went, there was a focus made, this was in 24, where they wanted to take the CDFI money from a national point of view because we'd had some losses within the SBA on 7A loans, small 7As, and they decided they would give the smaller CDFIs more funding than they did the larger CDFIs. And where it hurt was that the smaller CDFIs didn't

**BC** **Bob Coleman** 16:25

Thank you.

Mhm.

**CA** **Christopher Allen** 16:49

have the knowledge base and didn't have the experience to be able to loan the money out. Right. They ended up losing more money in all that. And we're all kind of paying for it right now. There's quite a bit of stuff. But as far as CDFI, CDFI loans are typically in our world, it's up to either 50 or \$100,000. I always joke about

**BC** **Bob Coleman** 16:53

Or the capital, or the capital means.

Right.

**CA** **Christopher Allen** 17:09

Lift Fund, we are the kings of the \$20,000 Taqueria loan. We do that every day, all day long. That is our bread and butter. And so what it is, it's usually a 10-year loan. It's usually a floating rate 7A loan. It's going to be higher than market. It's probably going to be

You know, prime plus four, prime.5, it's going to be quite a bit higher than your market's going to be typically.

**BC** **Bob Coleman** 17:35

I'm going to challenge you. No, it's not higher than market because what's the alternative? Go and be with an MCA that's going to charge you 50%. So no, I disagree. It's not higher than market. Anyway, go ahead.

**CA Christopher Allen** 17:40

Yeah.

Absolutely.

Well, from a banker's point of view, it's not the deals they want to deal with a lot of times too. So it's it gives a lot of opportunity. I mean, there's to me, I feel like there's an unlimited supply of those kind of loan transactions that are out there. It's just how many can we process is basically where I think we're at right now. You know, as far as the CDFI, we're looking for usually equipment. You were looking for

**BC Bob Coleman** 17:50

Fair enough. I'll go. I'll agree with you there.

Yeah.

Sure.

**CA Christopher Allen** 18:11

you know, you know, working capital lease, lease hold, finish out, typical 7A products that you would do. We do have probably a little more rolling stock than you would than you would think, you know, related to, you know, food trucks or trailers or something like that where you would have a lot of food industry with it.

**BC Bob Coleman** 18:28

Sure.

**CA Christopher Allen** 18:32

And I'll be honest with you, one of the biggest things you talked about, the changes, the LPR changes were probably the biggest change that hurt us because we had quite a bit, especially our location. I mean, we're based in San Antonio. So we have a huge amount of LPR applicants.

**BC Bob Coleman** 18:40

For that for the industry, yeah.

**CA Christopher Allen** 18:51

that we have on that side of the house. Not as much 504, but it's just where we're located and what we do. You know, so that it's, yeah, go ahead.

**BC Bob Coleman** 18:58

But Chris, I was going to say, but that smaller market, there's such a need for that. And I'm going to ask for your definition of a microloan, but that need, the average, I just did a study, the average 7A loan is 400, what, just under half \$1,000,000.

**CA Christopher Allen** 19:04

Mhm.

Yeah, yep.

**BC Bob Coleman** 19:17

Lenders aren't making those small loans, and I understand why. They're not profitable. They're labor intensive. The unsophisticated borrower doesn't know all the information they have, and you guys are filling in the need in the marketplace for that.

**CA Christopher Allen** 19:21

Mmh.

Yep.

Absolutely, absolutely. Well, and you know, the CDFI world, you know, like you said, I mean, you alluded to it, but you lose money on every 20 to \$50,000 loan you make just because you have to touch it so many times. So, I mean, we know that. When I came on to Lift Fund, we were, of course, a large CDFI at that time already.

**BC Bob Coleman** 19:45

Yeah.

**CA Christopher Allen** 19:53

but we survived on bank philanthropy. I mean, we would go around and ask for banks to donate to us. And in exchange, if they would donate to us, we would go

back and loan CRA money in their market and they would get CRA credit. It was a very good, very good relationship between that.

**BC** **Bob Coleman** 20:09

Absolutely.

**CA** **Christopher Allen** 20:13

at least when we started. One thing that we've tried to do, especially with the funding that has changed within back in 24, we decided, you know, we really can't depend upon our outside funding for everything. So that's when we kicked up our volume for 504 to try to fill that gap. I want to say we're right at 80% self-sufficient right now, which is really good for CDFI.

**BC** **Bob Coleman** 20:39

Yes, good for you.

**CA** **Christopher Allen** 20:41

But that's, it's completely a, it's on purpose. We did it that way to be able to be to be able to survive within this within this market.

**BC** **Bob Coleman** 20:54

Well, I'm a huge fan of the smaller loan market. It is such a, it is so difficult for lenders to do it, to do it prudently. But the alternatives are just horrible for those entrepreneurs, such as you said, you throw on LPR and all these

**CA** **Christopher Allen** 21:05

Mhm.

Absolutely.

**BC** **Bob Coleman** 21:13

these paperwork requirements and the fees, but it's so much better than getting an MCA loan where the guy is in his taco truck, swiping the card, and then he signs a contract where 30, 40% of his revenues go directly back right away, and plus they're charging 50% APR. So no, what you're offering is a great, great product.

**CA** **Christopher Allen** 21:16

Yeah.

Absolutely.

**BC** **Bob Coleman** 21:35

Product, tell me about your geographic footprint. I know you, I know you're now, wait a minute. Now, I know Texas, I know East Texas and West Texas, San Antonio, I guess you're called Hill Country, is it?

**CA** **Christopher Allen** 21:36

Yeah, I think it's a good one.

Yeah, kind of just south of the hill country, but yes.

**BC** **Bob Coleman** 21:50

Okay, all right. But what's your geographic footprint? Obviously, Texas, do you go in any other states or do you stay where you're pretty local?

**CA** **Christopher Allen** 21:52

Yeah, it's...

Yeah, we actually have three different geographic footprints, to be honest with you. On the 504 side, the CDCs are limited by state. So we're just in Texas for CDCs. And then we have some surrounding counties, but not very many. Then as far as our CDFI, we are in all 50 states.

**BC** **Bob Coleman** 22:07

Okay.

Yeah.

**CA** **Christopher Allen** 22:17

for that.

**BC** **Bob Coleman** 22:18

I did not know that.

**CA Christopher Allen** 22:20

For CDFI loans, we are for micro loans. On the community advantage, community advantage, we're in 17 states, which is basically the SEC states. Everything southern part of the US up to Tennessee and Missouri and Arizona even. So we're actually

**BC Bob Coleman** 22:24

I didn't know that.  
Okay.

**CA Christopher Allen** 22:39

Pretty active in that, you know, we we don't have a physical presence in all those states, but we do have the ability to reach out and get those, so...

**BC Bob Coleman** 22:49

I learn something every time I do one of these Coleman conversations. I have never heard the term the SEC states. I love that term though. I love it.

**CA Christopher Allen** 22:57

It doesn't have the same meaning as it used to, but it's still, you know what I'm talking about.

**BC Bob Coleman** 23:00

Well, no, no, I know, no, damn, Southeastern United States. No, it's just it makes it very clear. No, I love that term. That's awesome. But do you, but do you really lend CDFI throughout the country or do you stay pretty well?

**CA Christopher Allen** 23:05

The.

Awesome, awesome.

Well, we do quite a bit. We've actually, one of the things that Lift Fund does, and we haven't really talked about it, but we also manage grant money for municipalities or within a certain area or a big, we got big into PNPPP for the state.

**BC Bob Coleman** 23:28

No, please.

Okay.

**CA** **Christopher Allen** 23:40

The state gave us a bunch of money for PPP when we're doing that. So we actually did a great, you know, large amount of that because the state had helped us fund because we were the preferred provider. But we have different counties and different things. We're very big in the Hill Country right now. Kerrville, we've kind of adopted Kerrville with all the floods and everything that happened there.

**BC** **Bob Coleman** 23:59

Terrible, terrible.

**CA** **Christopher Allen** 24:00

In fact, we're having a retreat next week in Kerrville. Our entire company's going there to be able to have our retreat there. But we've kind of focused on disaster recovery. So we actually have grant programs in Kerr County. We have we actually have a grant program in for the LA fires.

So if we have businesses that were impacted in Los Angeles, we actually have a grant program that we've done. We do all over the valley. There are several times, I don't know, it's not getting huge national news, but I believe it's Harlingen or one of the counties down there, one of the counties in South Texas.

has a water issue where the water's been contaminated. And so we can, we actually have a grant program for businesses that were impacted by the water program problems, you know. So there's so many things that we do. I laugh because I've always come from, before I came here, I worked for

CDCs that were all about the dollars. They were all about give me, you know, so many loans. And then I would have those CDCs come to me at the end of their fiscal year saying, okay, we need you to go donate money in your market, you know, and which from a CDC point of view really was something I hadn't really

**BC** **Bob Coleman** 25:20

Right, good.

**CA** **Christopher Allen** 25:21

dealt with before. But we don't have that at Lift Fund. We use every dollar that comes in. We wear the president's faces off of every one of the coins we get. So it's a very good sleep at night kind of company as far as, you know, you always feel like you're doing something for the community, you know, so.

**BC** **Bob Coleman** 25:31

Good for you.

Definitely spirit of SBA lending there.

**CA** **Christopher Allen** 25:42

Absolutely, absolutely.

**BC** **Bob Coleman** 25:45

Tell me more about the grant programs. How does it work? Who funds that? Where does that money come from?

**CA** **Christopher Allen** 25:49

Well, you know, we typically have the cities will put up for their economic development, you know, or will have donation like the ones we have in the LA Fire that was donate corporate donors that donated to us for a specific use. We actually have had

**BC** **Bob Coleman** 25:53

Cities, OK.

Okay.

**CA** **Christopher Allen** 26:10

We had Jeff Jeff Bezos's wife has donated to us quite a bit in the past.

**BC** **Bob Coleman** 26:12

I said, well, I, yeah, that was my old, I have friends up there, lost houses and my own stomping grounds, that entire Altadena Main Street wiped out. And so, so that small business in Altadena, how did they get funds from you? Tell me about that.

**CA** **Christopher Allen** 26:18

Yeah, yep.

Oh, unbelievable. Unbelievable.

Mhm.

They'll go through our website and there'll be products that they can they can deal with. I don't deal with that specifically, so I don't know all the details, but just go to leftfund.com and they can they can help you locate what's available in your area.

**BC** **Bob Coleman** 26:36

Okay.

And you great, so it sounds like you administer the funds and disperse them. Good for you, good for you.

**CA** **Christopher Allen** 26:47

Yep, yep, yep, that's something we've done for a long time, so we like it.

**BC** **Bob Coleman** 26:53

One of the things that is being proposed in the budget is what they call decoupling. I think marketing, they could have come up with a better term. But the concept is we have a \$5 million cap for SBA, but instead of combining 7A and 504, let's separate it.

**CA** **Christopher Allen** 27:04

Yeah.

**BC** **Bob Coleman** 27:13

We'll have \$5 million, 7A, and I know we're talking, there's proposals to go \$10 million in certain manufacturing codes, but the concept is 5 million, 7A, 5 million, 504. I would assume that you would be a yes on that proposal.

**CA** **Christopher Allen** 27:18

Yeah.

I'm definitely in favor of it. I am a little cautious with what they want to do. I think it causes a, it will cause a huge funding issue because I think from a budgetary point of view, they've not accounted for what that would be. Because I know in our world, we have to schedule how things go.

**BC** **Bob Coleman** 27:34

Ohh, please, please.

**CA** **Christopher Allen** 27:52

On the 504 side, we don't have the problems that the 7A side has where we can go green and go above the \$5 million cap, even go to five and a half million for manufacturing now. And with any green deal, we get five and a half million. So we have outs. We have the ability to add on if we can. 7A doesn't have that.

**BC** **Bob Coleman** 27:59

Right.

**CA** **Christopher Allen** 28:12

They are limited to \$5 million in gross loan, no matter what, no matter who you are, how many deals you stack in there. That's the max you can get. When you decouple it, I think you end up with the opportunity for 7A loans to really take off for all these people that have that have, you know, got a 504 loan. Now they have the ability to go get some working capital.

**BC** **Bob Coleman** 28:20

Right, right.

**CA** **Christopher Allen** 28:35

They have the ability to do things because plenty of, you know how the SBA has worked. You've either, your borrowers most of the time will either do, they'll either start out 7A because it's easy to get, and then they'll roll into a 504 when they meet the limits. Or you have guys that go, I'm going to do 7 car washes in my business plan that I'm going to do.

So I'm going to start out 504 where I can pack as many as I can. Well, if that's the case, he's not even used his 7A. So the minute you turn that spigot on, this is a guy who's already knows the SBA program, already knows what to do, but now he can go replace equipment at a location, or he can go get working capital, or he can do a startup and do one quicker.

on a 7A, because at the end of the day, 7A is still a quicker program with the POP

options. So I think it opens up a lot of funding budgetary issues that they haven't really considered yet. But that's, I would love to see it, believe me, because we spend a lot of time trying to figure out, you know, has the 7A loan that's our companion, has it been submitted?

Because if we submit our 504, you're not going to have room for your 7A. So we constantly deal with that issue. So it would be a relief not to have to deal with that. But I just wonder about the budgetary issues because we haven't run up against our limit in a few years. And I get a feeling if they just decide to do that, That would be, that would be difficult on funding, so...

**BC** **Bob Coleman** 30:03

Fair enough. All I know is 7A lending is down in 26. And I guess my response is, I'd like to have that problem.

**CA** **Christopher Allen** 30:09

Mhm.

I agree with that. Well, and we're down on 504 too. I mean, it's been a very unique, unique year. Rates have not come down like everybody thought they were. And that's had a big effect, at least on 504 it has, you know, because our first lien is at the whatever negotiation the borrower and banker can come up with. So we're staying around prime, maybe a little bit higher.

**BC** **Bob Coleman** 30:16

Yeah.

Yeah, any advice for the name.

**CA** **Christopher Allen** 30:39

you know, on the first lane, but our loans have not gone down because mortgage rates have gone down. The 504 loan rates are more closely tied to the mortgage business because it's kind of like a 10 year, like a 10 year treasury. You know, it's kind of what are based on when the 10 year treasury is down, the 504 loans are down as far as the rates go.

Since our loans are sold in the secondary market as mortgage backed securities, it kind of operates like a home mortgage rate would, and they have not come down. So I think that's been a big factor. We seem to be seeing, and I'm sure it's the same

on the 7A side, but on 504 side, we see a lot more complicated deals right now. There's no longer the easy deals that you could just rush in and get them done with no questions. We don't have that right now. Now we're looking for them. Believe me, we're turning every stone we can.

**BC** **Bob Coleman** 31:26

Okay.

Right.

Yeah, and still, tell me about the economy in Texas. How are you doing?

**CA** **Christopher Allen** 31:37

Well, you know, the economy in Texas, I would have to say, it's still booming. We've got people moving to Texas every day. I mean, Dallas-Fort Worth, where I'm located, is, you know, probably top one or two or maybe three of the fastest growing areas or biggest improving areas.

You know, the number of people moving in are unbelievable here. It's happened the same way in Houston and in San Antonio and Austin. I mean, we're overall just taking a lot, a lot of corporate relocations that are happening here. You know, you get a little bit of that tempered with the work from home.

You know, I work from home, so I enjoy that, but you don't have to have as much corporate, you know, real estate bought, you know, when everybody's working from home. So it's not, it's not, it's not as, I would say it doesn't offset, but it probably factors into the mix here of the fact that it hasn't just blown up.

**BC** **Bob Coleman** 32:27

Good point, good point.

**CA** **Christopher Allen** 32:37

But we do a lot of restaurants, daycares, and they're still booming. We're still building new ones, car washes, we're still building them all day long.

**BC** **Bob Coleman** 32:45

Very good. Well, Chris, I really enjoyed speaking to you. I know it was tough for me as being the moderator to bring you out of your shell. I think I see that. You know, I really enjoyed your presentation at MALCA. And then that was a lot of fun. But

**CA** **Christopher Allen** 32:53

Yeah, that's right, that's right.

Yeah, I enjoyed it.

**BC** **Bob Coleman** 33:04

But what Chris and I did is we give, we had the introduction course and I talked 7A and Chris talked 504. And obviously we're biased, but I thought we did an excellent job in terms of.

**CA** **Christopher Allen** 33:17

I don't think anybody could have done it better, Bob.

**BC** **Bob Coleman** 33:19

And you know what? I think that's a perfect way to end this call with Garza. Chris, thank you so much for joining me.

**CA** **Christopher Allen** 33:22

There you go, that's it.

Awesome. Thanks, Bob.