

EMPLOYEE NEWS

CONGRATULATIONS
STAFF PROMOTIONS!



Charles Anderson,
Chief Operating
Officer, receives added
designation of
Executive Vice President



Riley Adams promoted to
Chief Risk Officer



Payton Larkin promoted
to Human Resource
and Administration
Coordinator



Sam Merth promoted to
Credit Analyst II



Falls Chamber of Commerce
Roaring 20s Gala at
Deer Lake Winery



MN CAI Back to
the Future Expo in
Bloomington



Salute to Service Men &
Women at Oak Marsh
Golf Course



St Croix Valley
Food Bank Donation



WSSC World Snow Sculpting
Championship in downtown
Stillwater

NEW SBA UPDATES

The SBA has implemented significant changes to its financing programs to enhance accessibility and streamline processes. Updates include waiving guarantee fees for loans under \$1 million, allowing partial ownership purchases, removing personal liquidity review requirements, and adjusting affiliation rules. These changes aim to empower lenders with more discretion in underwriting standards, leading to a more efficient and expedited loan process.

- No guarantee fee for loans \$1 Million and under

The guarantee fee is typically the largest fee an SBA borrower will pay for using the program. During the current SBA fiscal cycle, which ends on 9/30/2024, the SBA is waiving the guarantee fee for all loan packages of \$1,000,000 and below.

- Allowing partial ownership purchases

Prior to the latest program updates, an individual or business would need to be purchasing all of the assets or stock of a business in order to qualify for SBA change of ownership financing. However, the SBA does now allow for partial ownership purchases, which should open the door for individuals who may not have the resources to fully purchase a business, but still want to have the benefits of business ownership, to qualify for SBA financing. It will also give an option for a current owner who maybe wants to begin to transition the business to new ownership, but is not ready to sell all of the business, an option to start that process. While some of the requirements are still potential roadblocks (ie. the business itself must be the borrower, and the selling shareholder will need to guarantee the debt under many circumstances), it does give a buyer and seller an option that was not previously available. Also, since this is still a very new program at SBA, it is likely that changes will be made that will remove or reduce these barriers with future program updates.

- Removal of personal liquidity review

Prior to the most recent program updates, an SBA lender would need to review the personal liquidity of all owners of 20% or more of the borrower. If the liquid assets of the company's ownership was determined to be too high in relation to the requested financing package, the bank would need to require additional equity from the owner or the loan would not be eligible for SBA financing. As of the most recent program updates, SBA removed this program qualifier which now means that certain companies that were previously not eligible for SBA financing due to having a financially healthy ownership group may now qualify.

- General shift to Lender Policies

While the SBA's rule book remains lengthy, with the latest program updates there is a definite shift to allowing lenders to use a lot of their own policies and underwriting standards, especially for smaller loans (\$500,000 and under), for both approval and file documentation. This should help to make each phase of the SBA loan process more efficient and less onerous on all parties, which should lead to quicker approval and funding turnaround!



To learn more about these SBA updates or the SBA programs available to you, please contact Andy Naughton, VP SBA Lending Manager, at anaughton@myfrbank.com or (651) 430-8635.



EMPLOYEE NEWS

WELCOME NEW TEAMMATES!



George Butkovich
VP First Resource Bank
VP OnPoint HOA Financial

John Humphrey
IT Officer



Megan Jensen
Client Banker Liaison

Zachary Johnson
Universal Banker



TJ Reeves
Credit Analyst I

Charlene Roufs
VP Cash Management
Specialist



Matthew Spetzman
Universal Banker

First Resource
Bank 2023
Annual Review
may be viewed
[here.](#)

FIRST RESOURCE BANK EMBRACES MINNEAPOLIS' MILL DISTRICT WITH NEW HEADQUARTERS

First Resource Bank is expanding its footprint and moving its corporate headquarters to the Twin Cities' Mill District area near U.S. Bank Stadium.

The Stillwater-based bank plans to open its new corporate offices this summer in the Ironclad building at 811 Washington Ave. S, where the bank has operated a branch since 2020. The upgraded space will feature additional retail areas and event facilities, supporting the bank's continued growth and making it more convenient for its clients throughout the Twin Cities. This strategic move complements FRB's expansion strategy, fueled by recent mergers and acquisitions, and supported by significant increases in assets and deposits.

Looking ahead, the bank anticipates further expansion with potential acquisitions and additional branch openings in the Twin Cities metro area.



INTRODUCING ONPOINT HOA FINANCIAL



In 2023, First Resource Bank launched its new division, OnPoint HOA Financial, dedicated to community association banking. This innovative division addresses the unique challenges faced by property management companies, such as lack of responsiveness, outdated technology, and unreliable lending partners.

OnPoint HOA Financial offers a seamless transition process that minimizes disruptions while ensuring a secure and efficient integration with property management companies. Our dedicated team collaborates closely with the companies' staffs, implementing a proven step-by-step process that reduces the stress and hassle of changing banking institutions. We strive to understand the management companies' specific financial needs and offer adaptable services tailored to each HOA board.

OnPoint's success has continued into 2024, with significant growth and participation in key industry events. Following is an overview of OnPoint's achievements and recent activities:

Growth: OnPoint deposits have increased by 22% since the start of 2024, and the account portfolio has grown by 14%.

Coverage: We currently cover three CAI chapters: CAI-MN, CAI-WFL, and CAI-SWFL.

Events: We continue to be actively involved in numerous industry events, including:
CAI-MN Expo February 16; Trivia Night Member Social May 2
CAI-WFL CA Day April 9, Annual Golf Tournament May 17
CAI-SGCC Annual Meeting & Awards January 11, Expo April 16
CAI National Annual Conference, Las Vegas May 9

As OnPoint HOA Financial continues to expand, we remain committed to providing reliable and innovative banking solutions to the community association sector. Our goal is to help management companies manage their clients' financials with confidence and ease while enabling the management companies to thrive and grow.

