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Isaac M. O'Bannon • Aug. 12, 2014

Through a partnership with Capital One, lending and business services firm **Newtek Small Business Finance** will increase its existing \$27 million revolving credit facility to \$50 million.

The form of the amended documentation for the additional financing is subject to regulatory approval, and will bring the company's total financing through Capital One, N.A. to \$70 million on a company-wide basis. The \$70 million consists of a \$10 million term loan and up to \$60 million in revolving lines of credit.

“We are very pleased to announce the Capital One, N.A. approval of an additional \$23 million for our revolving credit facility which, upon regulatory approval, brings our total available revolving financing to \$50 million for our lending business,” said Barry Sloane, Chairman, President and Chief Executive Officer of Newtek Business Services. “This additional financing will give us both increased capability and flexibility to grow our loan originations and issue larger, more cost-effective asset-backed securitizations. Our ability to increase our total financing with Capital One, N.A. by \$43 million since July and, as a result, substantially lower our interest expense, is just one example of our strategic initiatives to increase our top- and bottom-line growth.”

The company announced in July of this year that it entered into a \$20 million credit agreement with Capital One, N.A., which consists of a \$10 million term loan and a \$10 million revolving credit facility, both of which have four-year terms.

The term loan was used to refinance the company's existing \$10 million of mezzanine debt from a group of investors led by Summit Partners Credit Advisors, L.P. Due to the extinguishment of the mezzanine debt, the company incurred a one-

time non-cash charge of approximately \$1.9 million in the second quarter of 2014,

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Newtek will discuss those initiatives in greater detail during its upcoming quarterly conference call at 4:15 p.m. E.T., on Thursday, August 14, 2014.

Accounting • Small Business

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