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Newtek Issues Sixth S&P-Rated Securitization for Business Loans

NEW YORK, Sept. 28, 2015 /PRNewswire/ -- Newtek Business Services Corp. ("Newtek"), (Nasdaq Global Market: NEWT), an internally managed business development company ("BDC"), today announced that it has completed the securitization of $40.8 million of Standard and Poor's ("S&P") AA rated Unguaranteed SBA 7(a) Loan-Backed Notes, Series 2010-1 (the "Notes"). This is Newtek's largest transaction to date and was accomplished as an amendment and supplement to its 2010-1 securitization.

The Notes are collateralized by the right to receive payments and other recoveries attributable to the non-guaranteed portions of SBA 7(a) Loans made by Newtek Small Business Finance, LLC ("NSBF") and overcollateralized by NSBF's participation interest in the non-guaranteed interests. Sandler O'Neill + Partners L.P. acted as the placement agent for the sale of the Notes and placed this issue with five institutional investors, three of whom were new to Newtek's securitization investment program. The Notes were priced and sold to investors at a yield of 2.5%, which represents an approximate 100 basis point improvement in the overall yield since the Company's last securitization transaction priced. S&P rated the Notes as 'AA' based on the collateral in the entire, upsized pool.

Barry Sloane, Chairman, President and Chief Executive Officer of Newtek Business Services Corp. said, "We are pleased to announce the pricing and closing of our sixth and largest securitization to date. As compared to our most recent securitization, we were able to reduce our cost of funds by approximately 100 basis points based on the market clearing yield to investors of 2.5%. Specifically, our collateral and securities are term match funded with the non-guaranteed portions of the SBA 7(a) loans bearing a current interest rate of Prime (3.25%) plus 2.75%, which equates to a 6% interest rate for the borrower. We believe the improvement in our pricing is a direct result of our historic credit performance, the size of the transaction and our 12-year history as an SBA 7(a) loan originator. As a result, this securitization deal was oversubscribed through our placement agent Sandler O'Neill."

Mr. Sloane continued, "At the conclusion of this financing, the outstanding balance of our $50.0 million Capital One Bank N.A. revolving credit facility, representing advances with respect to non-guaranteed 7(a) loans, was fully paid down, which coupled with our recent $8.2 million bond offering, increases our access to capital and our ability to continue to grow our loan fundings. Finally, we welcome Sandler O'Neill who acted as the placement agent in this transaction. We are pleased to work with such a premier entity that has deep reach into a broad pool of investors who prefer to invest in shorter duration floating and fixed-rate securities. We look forward to continuing to grow our loan originations and potentially bringing larger more frequent securitizations to the market."

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"The Small Business Authority®"
thesba.com

About Newtek Business Services Corp.

Newtek Business Services Corp., *The Small Business Authority*®, is an internally managed BDC, which along with its controlled portfolio companies, provides a wide range of business services and financial products under the Newtek® brand to the small- and medium-sized business ("SMB") market. Since 1999, Newtek has provided state-of-the-art, cost-efficient products and services and efficient business strategies to over 100,000 SMB accounts across all 50 States to help them grow their sales, control their expenses and reduce their risk.

Newtek's products and services include: Business Lending, Electronic Payment Processing, Managed Technology Solutions (Cloud Computing), eCommerce, Accounts Receivable Financing, The Secure Gateway, The Newtek Advantage™, Insurance Services, Web Services, Data Backup, Storage and Retrieval and Payroll.

The Small Business Authority® is a registered trade mark of Newtek Business Services Corp., and neither are a part of or endorsed by the U.S. Small Business Administration.

Note Regarding Forward Looking Statements

This press release contains certain forward-looking statements. Words such as "believes," "intends," "expects," "projects," "continuing", "potentially", "anticipates," and "future" or similar expressions are intended to identify forward-looking statements. All forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from the plans, intentions and expectations reflected in or suggested by the forward-looking statements. Such risks and uncertainties include, among others, intensified competition, operating problems and their impact on revenues and profit margins, anticipated future business strategies and financial performance, anticipated future number of customers, business prospects, legislative developments and similar matters. Risk factors, cautionary statements and other conditions, which could cause Newtek's actual results to differ from management's current expectations, are contained in Newtek's filings with the Securities and Exchange Commission and available through http://www.sec.gov/.

For more information, please visit the following websites:
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