



U.S. SMALL BUSINESS ADMINISTRATION  
WASHINGTON, D.C. 20416

August 2, 2012

The Honorable Randy Neugebauer  
Member, U.S. House of Representatives  
611 University Avenue, Suite 220  
Lubbock, Texas 79401

Dear Representative Neugebauer:

Thank you for your recent inquiry on behalf of Mr. Ron Bostick regarding a U.S. Small Business Administration (SBA) 504 loan for his business, Crush It, LLC dba Christian Brothers Automotive (CBA) and Multiple Blessings, LLC (MB).

According to Agency records, on June 4, 2012, a 504 loan was approved \$694,000 loan to CBA through Capital Certified Development Corporation (CCDC), an SBA certified development company. Based on Mr. Bostick's letter to you, he feels that SBA is penalizing him for operating in a small market by rejecting his appraisal. This is not the case. Additionally, Mr. Bostick indicated that the Agency should reconsider and accept the submitted appraisal for the project property. The SBA reviews appraisal reports as part of the overall lending decision in order to ensure the applicant is creditworthy and that the collateral adequately protects the interest of the Federal government. Our review of the submitted appraisal report, and additional information submitted, found that the appraiser's valuation conclusion was not adequately supported. This is due primarily to a lack of comparison to local properties and also atypical adjustments. If Mr. Bostick's would like to have this matter reconsidered by SBA, he should work with CCDC to submit an updated appraisal with a value conclusion based on sales and leases of comparable automotive service properties in the Lubbock, Texas market.

We appreciate your support of the SBA and the Texas small Business community. If you and your staff have any questions, please contact the SBA Office of Congressional and Legislative Affairs at (202) 205-6700.

Sincerely,

Grady B. Hedgespeth  
Director  
Office of Financial Assistance

