

Standard and Poor's Rates Newtek Small Business Finance Unit as a Servicer Unit

NEW YORK, Jun 18, 2010 (GlobeNewswire via COMTEX News Network) -- Newtek Business Services, Inc. (Nasdaq:NEWT), The Small Business Authority's CEO and President Barry Sloane said, "This current rating from the Standard and Poor's validates our capability in providing servicing and special servicing functions for commercial finance based business loans. Our recent contract with the FDIC as well as other activities continues to increase our ability to grow our servicing portfolio. We think this rating will increase our ability to:

- Acquire sub & non performing loans
- Service securitized small balance commercial portfolios
- Securitize our own portfolio of loans into a rated structure
- Service small balance commercial portfolios for others

This rating covers our conventional and SBA commercial small balance servicing capability. We are pleased with our ability to execute our strategy and grow this area of our business."

Please see Standard and Poor's release below:

Analysts:

Tom Merck Michael Merriam

Wire Headline: S&P Assigns AVG Svcr Rankings to Newtek Small Business Finance

RD Headline: Newtek Small Business Finance Inc. Business-Based Real Estate Servicer and Business-Based Real Estate Special Servicer Rankings Assigned At AVERAGE; Outlook Is Stable

OVERVIEW

- We assigned our AVERAGE rankings to Newtek Small Business Finance Inc. as a commercial finance business-based real estate servicer and a commercial finance business-based real estate special servicer.
- The assigned rankings reflect our opinion that the company conducts its servicing operations with adequate controls.
- Our outlook is stable.

Standard & Poor's Ratings Services has assigned its AVERAGE overall rankings to Newtek Small Business Finance Inc., a subsidiary of Newtek Business Services, as a commercial finance business-based real estate servicer and a commercial finance business-based real estate special servicer. Our outlook is stable.

The overall servicer and special servicer rankings reflect AVERAGE subrankings for management and organization, loan administration and special servicing. Because our current assessment of the company's financial position is insufficient, the company is not listed on our Select Servicer List.

The assigned overall rankings reflect our opinion that Newtek Small Business Finance Inc. conducts its servicing operations with adequate controls. In addition, the company has a newly instituted internal audit program that monitors the servicer's operational compliance with its own policies and procedures as well as those of the U.S. Small Business Administration.

We believe that the servicer's experienced staff, and its portfolio management and credit monitoring practices also support our ranking. Moreover, we consider the company's early-stage collections and default management procedures to be suitably proactive.

OUTLOOK

The outlook is stable. Given our assessment of the company's staff and operating practices, we expect that Newtek Small Business Finance Inc. will function as an effective servicer within the business-based servicer class.

RELATED CRITERIA AND RESEARCH

- "Criteria | Structured Finance | Servicer Evaluations: Servicer Evaluation Ranking Criteria: U.S.," published Sept. 21, 2004.
- "Criteria | Structured Finance | Servicer Evaluations: Revised Criteria For Including RMBS, CMBS, And ABS Servicers On Standard & Poor's Select Servicer List," published April 16, 2009.
- "Select Servicer List."

About Newtek Business Services, Inc.

Newtek Business Services, Inc., The Small Business Authority, is a direct distributor of a wide range of business services and financial products to the small- and medium-sized business market under the Newtek(TM) brand. Since 1999, Newtek has helped small- and medium-sized business owners realize their potential by providing them with the essential tools needed to manage and grow their businesses and to compete effectively in today's marketplace. Newtek provides one or more of its services to over 100,000 business accounts and has positioned the Newtek(TM) brand as a one-stop-shop provider of such business services. According to the U.S. Small Business Administration, there are over 29.6 million small businesses in the United States, which in total represent 99.7% of all employer firms.

Newtek's business service lines include:

- Electronic Payment Processing: eCommerce, electronic solutions to accept non-cash payments, including credit and debit cards, check conversion, remote deposit capture, ACH processing, and electronic gift and loyalty card programs.
- Web Hosting: Full-service web host which offers eCommerce solutions, shared and dedicated web hosting and related services including domain registration and online shopping cart tools.
- eCommerce: a suite of services that enable small businesses to get up and running on-line quickly and cost effectively, with integrated web design, payment processing and shopping cart services.
- Business Lending: Broad array of lending products including SBA 7(a) and SBA 504 loans.
- Insurance Services: Commercial and personal lines of insurance, including health and employee benefits in all 50 states, working with over 40 insurance carriers.
- Web Services: Customized web design and development services.
- Data Backup, Storage and Retrieval: Fast, secure, off-site data backup, storage and retrieval designed to meet the specific regulatory and compliance needs of any business.
- Accounts Receivable Financing: Receivable purchasing and financing services.
- Payroll: Complete payroll management and processing services.

Note Regarding Forward Looking Statements

Statements in this press release including statements regarding Newtek's beliefs, expectations, intentions or strategies for the future, may be "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. 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 www.newtekbusinessservices.com.

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