

NEWTEK BUSINESS SERVICES CORP.

FORM 8-K (Current report filing)

Filed 12/06/17 for the Period Ending 12/06/17

Address	1981 MARCUS AVENUE SUITE 130 LAKE SUCCESS, NY, 11042
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CIK	0001587987
Symbol	NEWT
Industry	Business Support Services
Sector	Industrials
Fiscal Year	12/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K
CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

December 6, 2017 (December 6, 2017)

Date of Report (date of Earliest Event Reported)

NEWTEK BUSINESS SERVICES CORP.

(Exact Name of Company as Specified in its Charter)

MARYLAND

(State or Other Jurisdiction of Incorporation or
Organization)

814-01035

(Commission File No.)

46-3755188

(I.R.S. Employer Identification No.)

1981 Marcus Avenue, Suite 130, Lake Success, NY 11042

(Address of principal executive offices and zip code)

(212) 356-9500

(Company's telephone number, including area code)

(Former name or former address, if changed from last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Forward-Looking Statements

Statements in this Current Report on Form 8-K (including the exhibits), including statements regarding Newtek Business Services Corp.'s ("Newtek" or the "Company") beliefs, expectations, intentions or strategies for the future, may be 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. Newtek undertakes no obligation to update any forward-looking statement to reflect events or circumstances that may arise after the date of this filing.

Item 2.02. Results of Operations and Financial Condition.

On December 6, 2017, the Company issued a press release entitled "Newtek Closes on Sale of \$75,426,000 of Unguaranteed SBA 7(a) Loan-Backed Notes" (the "Press Release"). A copy of the Press Release is furnished as Exhibit 99.1 to this Current Report on Form 8-K. The information in this report shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, and shall not be incorporated by reference into any registration statement pursuant to the Securities Act of 1933, as amended.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information contained in Item 1.01 of this Current Report on Form 8-K is incorporated by reference herein.

Item 7.01 Regulation FD Disclosure.

The information contained in Item 1.01 of this Current Report on Form 8-K is incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated December 6, 2017, entitled "Newtek Closes on Sale of \$75,426,000 of Unguaranteed SBA 7(a) Loan-Backed Notes."

EXHIBIT INDEX

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Newtek Closes on Sale of \$75,426,000 of Unguaranteed SBA 7(a) Loan-Backed Notes

Lake Success, NY, December 6, 2017 - Newtek Business Services Corp. ("Newtek") (Nasdaq: NEWT), an internally managed business development company ("BDC"), today announced that it closed on its eighth and largest small business loan securitization, with the sale of \$75,426,000 of Unguaranteed SBA 7(a) Loan-Backed Notes, Series 2017-1, consisting of \$58,111,000 of Class A Notes and \$17,315,000 Class B Notes (collectively, the "Notes"), rated "A" and "BBB-", respectively, by Standard and Poor's Financial Services LLC. The Notes had a 79.50% advance rate, and were priced at an average initial yield of 3.59% (Note Interest Rates will be floating rate) across both classes.

The Notes are collateralized by the right to receive payments and other recoveries attributable to the unguaranteed portions of SBA 7(a) loans made by Newtek Small Business Finance, LLC ("NSBF") pursuant to Section 7(a) of the Small Business Act, and overcollateralized by NSBF's participation interest in the unguaranteed portions. Deutsche Bank Securities Inc. acted as Sole Book Running Manager and Capital One Securities, Inc. acted as Co-Manager for the offering.

Barry Sloane, Chairman, President and Chief Executive Officer of Newtek Business Services Corp. said, "We are pleased to announce the closing of our largest securitization to date with strong investor demand and some of the best economics in Newtek's securitization history. This deal was backed by \$94.875 million in unguaranteed portions of SBA 7(a) loans made by NSBF. Importantly, we received an approximate 3.25% improvement in the advance rate over our prior securitization in November 2016, making this 79.5% advance rate the highest advance rate of all our securitizations to date. In addition, we achieved a 100 basis point reduction in the interest rate spread over LIBOR on each Note class compared to our November 2016 securitization. With the SBA's approval of our largest securitization and the previously announced increase in our Capital One revolving credit facility to \$100 million, we believe we are well positioned to originate between \$465 million and \$485 million of SBA 7(a) loans in 2018."

Mr. Sloane continued, “We want to thank Deutsche Bank and Capital One for helping us bring this securitization to market, and look forward to announcing future securitizations in 2018 as we anticipate continued growth in our SBA 7(a) program in 2018 and beyond.”

About Newtek Business Services Corp.

[Newtek Business Services Corp.](#), Your Business Solutions Company[®], 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 SMB accounts across all 50 states to help them grow their sales, control their expenses and reduce their risk.

Newtek’s and its portfolio companies’ products and services include: [Business Lending](#), [SBA Lending Solutions](#), [Electronic Payment Processing](#), [Technology Solutions \(Cloud Computing, Data Backup, Storage and Retrieval, IT Consulting\)](#), [eCommerce](#), [Accounts Receivable Financing & Inventory Financing](#), [The Secure Gateway](#), [The Newtek Advantage[™]](#), [Commercial and Personal Lines Insurance Solutions](#), [Web Services](#), and [Payroll and Benefits Solutions](#).

Newtek[®] and Your Business Solutions Company[®] are registered trademarks of Newtek Business Services Corp.

Note Regarding Forward Looking Statements

This press release contains certain forward-looking statements. Words such as “believes,” “intends,” “expects,” “projects,” “anticipates,” “forecasts,” “goal” 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/>. Newtek cautions you that forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those projected or implied in these statements.

SOURCE: Newtek Business Services Corp.

Investor Relations & Public Relations

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