

NEWS & VIEWS
WISCONSIN DISTRICT OFFICE
Issue 3 - FY 2010
Helping small businesses **start, grow and succeed**

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***SBA RECOVERY LENDING EXTENDED THROUGH
APRIL 30, 2010***

On Friday, March 26, President Barack Obama signed legislation extending through April the U.S. Small Business Administration's ability to provide enhancements in its two largest small business loan programs. The enhancements, first made available under the American Recovery and Reinvestment Act, include a higher guarantee on some SBA-backed loans and fee relief.

The SBA estimates the \$40 million extension will support about \$1.4 billion in small business lending. As part of the Recovery Act enacted on Feb. 17, 2009, SBA received \$730 million to help small businesses, including \$375 million to increase the SBA guarantee on 7(a) loans to 90 percent and to waive borrower fees on most 7(a) and 504 loans. The funds for these programs were exhausted on November 23, 2009, and an additional \$125 million was provided in December. Those funds were exhausted in late February 2010, and an additional \$60 million was provided subsequently. That funding was exhausted late Friday, March 26.

Under the new extension, SBA may continue to waive loan fees and provide higher guarantee levels on 7(a) loans through April 30, 2010, or until the funds provided under the bill are exhausted. When the funds provided for March were exhausted, SBA reactivated the Recovery Loan Queue, as occurred in November and again in February, to cover the brief period before the funds from the extension became available, which should be within a few days.

Eligible small business loan applicants, in consultation with their lenders, may choose to be placed in the queue for possible approval of a Recovery Act loan when funding becomes available.

For non-Recovery Act 7(a) or 504 loans already funded during the Recovery Loan Queue period, this extension does not provide a retroactive guarantee or fee relief. Loans that were funded under non-Recovery Act terms cannot be canceled and resubmitted to take advantage of the Recovery Act extension provisions. This extension does not affect the SBA Recovery Act programs, including the America's Recovery Capital (ARC) loan program or the agency's microloans. Recovery Act funding still remains available for both those programs.

SBA AT 2010 GREEN ENERGY SUMMIT



On Wednesday, March 24, SBA Region V Administrator, Marianne Markowitz was a keynote speaker at the 2010 Green Energy Summit held at the Midwest Express Center in Milwaukee. The purpose of the Summit was to explore "Opportunities in Renewable Energy: Workforce, Manufacturing, Technology, and Innovation."

To focus attention on the opportunities in renewable energy, the Wisconsin Technical College System (WTCS) has initiated an array of renewable energy activities, including renewable energy demonstration sites, offering workshops and training seminars to expand public awareness, encouraging the development and sharing of curriculum materials, and delivering specialized renewable energy training to meet the needs of Wisconsin's citizens, the skilled trades and manufacturers.

SBA Wisconsin District Director, Eric Ness and several other Wisconsin SBA personnel participated in this three-day Summit.

SBA SELECTS WISCONSIN 2010 SMALL BUSINESS PERSON OF THE YEAR AND SPECIAL CATEGORY WINNERS



Cheryl Sment. President of **Interstate Sealant & Concrete, Inc.** has been named the Wisconsin SBA Small Business Person of the Year for 2010. Interstate Sealant and Concrete (ISC) has been in business since 1998 and is located in Waukesha, WI. ISC specializes in pavement maintenance and restoration in concrete as well as asphaltic concrete. Their services include joint sealing, crack sealing, spall repair, patching on roads, airports, and epoxy crack injection that is used to repair bridges. Today, ISC does business across the country at Department of Transportation and federal contracting levels. ISC is a certified W/DBE DOT in 28 states. Recently, both Cheryl's husband Jeff and son Steven joined ISC full-time. Cheryl is well versed in the construction industry and is knowledgeable about many city and state construction requirements. Under Cheryl's leadership, ISC has earned a reputation as a business that provides the highest level of quality and knowledge in the industry and stands behind their work.

Cheryl is among 53 top small businesspersons—one from each state, plus the District of Columbia, Puerto Rico/Virgin Islands, and Guam—who will be honored at SBA's National Small Business Week events May 23-25, 2010 in Washington, D.C. As the winner of the Wisconsin Small Business Person of the Year award, Cheryl could be named National Small Business Person of the year during the national event.

Other 2010 Wisconsin winners are:

NATIONAL WINNER—Jeffrey Butland Family Owned Small Business—Carl Treankler, Larry Treankler, Terry Hanstedt & Gary Lofquist, MCL Industries, Inc., Pulaski—Specializes in products and solutions for manufacturers of electrical control systems and mechanical assemblies of world-class heavy-duty vehicles.

REGIONAL WINNER—SBA Financial Services Champion—Dave Latona, Milwaukee Economic Development Corp., Milwaukee—Through his work, Dave has provided direct financing to numerous small businesses in need of creative and alternative financing.

REGIONAL WINNER—Women's Business Center of Excellence Award—Wendy K. Baumann, The Wisconsin Women's Business Initiative Corporation (WWBIC), Milwaukee—Promotes economic development and personal self-sufficiency and provides business education, one-on-one business assistance and access to capital.

Small Business Persons of the Year Honorable Mention—Diane Reis, Steve Reis, and Ronald Butt, Profile Finishing Systems, Inc., Kaukauna and Waukesha—Industrial "on-site" painters providing general painting, coating of tank linings, floor coatings and stripping, corrosion protection, blasting, lead removal and vacuuming.

Small Business Exporter of the Year—Aksel Sidem, Jeff Wnuk and Sebastien Imbert, S3 International, Milwaukee—Provides commercial and military aircraft spare parts and repair services.

Young Entrepreneur of the Year—Nicholas Ponsonby, Asset Recyclers, Lake Geneva—Computer and electronics recycler.

Emerging Small Business Person of the Year—Manisha Dotson, Nisha Group, Milwaukee—Facility maintenance, special trade contractor, armed and unarmed security guards.

Minority Small Business Person of the Year—Julio deArteaga, DeArteaga, Inc., Greenville—Concrete and masonry construction.

Minority Small Business Champion—Ossie Kendrix, Jr.—City of Milwaukee, Emerging Business Enterprise Program, Milwaukee—Manages disadvantaged, small business certification program that works to enhance the emerging small business community by maximizing support services, contract opportunities and financial services to compete in the public and private sector markets.

Veteran Small Business Champion—Joe Naylor, —a Disabled Veteran Outreach Program Representative (DVOP)—Assists Veterans with securing employment and assisting with other Veteran specific needs.

Small Business Development Center Service Excellence Award—Tim Peterson, Small Business Development Center in Milwaukee—Business counseling and ongoing management education.

District Director's Award—Isabela Sardas, PhD—Program Director, Childynamics, LLC, Child and Adolescent Mental Health Day Treatment Center, Wauwatosa—Mental health facility that provides half-day treatment programming to children and teenagers.

The Wisconsin SBA celebration of our 2010 Small Business winners will be held June 4, 2010 at SBA and SCORE's Awards Presentation Breakfast at the Italian Community Center in Milwaukee. For more information, please contact Mary Trimmier at (414) 297-1093 or email mary.trimmier@sba.gov.

SBA LAUNCHES THIRD EMERGING 200 INITIATIVE



On March 17, 2010, SBA in Milwaukee launched the expansion of the *Emerging 200 Initiative (e200)*, targeting Native American owned small businesses. The goal of *e200* this year, is to identify Native American small businesses that show a high potential for growth and provide them the network, resources and motivation required to build a sustainable business.

Wisconsin's SBA District Office has forged a coalition of key business leaders, government organizations, and professional business associations. These individuals and organizations are sponsoring the *e200* initiative to encourage the success of its participants.

Joining the Wisconsin SBA District Office in making this third year of *e200* a success are: City of Milwaukee; Forest County Potawatomi; American Indian Chamber of Commerce (AICCW); Manpower, Inc.; Metropolitan Milwaukee Sewerage District; Greater Milwaukee Committee; Wisconsin Department of Commerce; Wisconsin Women's Business Initiative Corp. (WWBIC); SCORE, Counselors to America's Small Businesses and Small Business Development Center (SBDC)—University of Wisconsin-Milwaukee.



For more information on *e200*, contact the SBA in Wisconsin at (414) 297-3941.

NEWS & VIEWS SUBSCRIBER QUESTION

Could SBA discuss what steps to take when a business is faced with cash flow concerns and making their SBA payments due to the recession?

The first thing to remember is that SBA does not control the loan. SBA loans are lender serviced and it is up to the lender to make the servicing decision and, depending on that decision, they may or may not need SBA concurrence.

Several remedies may be available, but again, it depends on what the lender can and/or will consider. If the loan has been sold on the secondary market, it may become somewhat more difficult to modify the loan. The remedies may include re-amortization to lower payments, interest rate relief (lowering the rate and re-amortizing again if sold on the secondary market may be more difficult to do). Unfortunately, outside of the previously mentioned, the only other alternative is to find another lender that may want to assume the loan and modify the existing requirements or to refinance the existing loan with better rates and payment structure.

SBA WARNS SMALL BUSINESSES OF FRAUDULENT ATTEMPTS OFFERING TO HELP THEM SECURE SBA LOANS

The U.S. Small Business Administration (SBA) is warning small businesses to use caution if they are contacted by firms offering to help them apply for funds available through SBA programs. SBA and SBA's Office of the Inspector General (SBA OIG) have received several complaints from small businesses about abusive marketing practices, scams, and exorbitant fees charged by firms offering to help them obtain a loan, grant, or other federal funds, from SBA.

Some of these complaints include:

Firms charging small businesses high fees to provide assistance applying to SBA funding programs. Some firms allegedly guaranteed that the small business would obtain SBA funding if they paid the fee. SBA does not endorse or give preference to specific private companies or their clients.

Firms charging small businesses for services never requested after the small business gave bank account and routing information to a caller claiming to be a firm offering assistance. SBA recommends that small businesses never provide social security numbers, bank account information, or credit card numbers to anyone; and, never over the telephone.

Firms alleging that a small business would be issued a "forfeiture letter" that would make the small business ineligible for any SBA funding for three years if the small business refused to use the firm's services.

When electing to use a third party to apply for SBA funding programs, small businesses should also bear in mind:

Small businesses can get free assistance in person or by calling one of SBA's 68 District Offices and from information on SBA's Web site (www.sba.gov). They can also get assistance from Small Business Development Centers, Women's Business

Centers, Veterans Business Outreach Centers and SCORE Chapters, either free or for a reasonable fee.

Location and contact information for the centers can be found on SBA's Web site.

Small businesses should ask for references and confer with trusted colleagues and institutions, such as the Better Business Bureau, when selecting service providers.

Small businesses should clearly establish and document: 1) What they are being charged; 2) When they will be charged; 3) What they must do; and 4) What services they will receive.

SBA's Office of the Inspector General will investigate and respond to all complaints. SBA encourages anyone with knowledge of a misrepresentation regarding SBA Business Loan Programs, or any other SBA program, to contact SBA OIG by calling the OIG Hotline toll-free at (800) 767-0385, or submitting an online report at the SBA OIG Web page (www.sba.gov/ig), and click the link for "Report Fraud Waste or Abuse."

Anyone who has a question regarding an SBA loan or any SBA program, may contact their local [SBA District Office](#) or email the [SBA Answer Desk](#) or call them at 1-800-U-ASK-SBA (1-800-827-5722).

IRS NEWS FOR BUSINESS

Two New Tax Benefits Aid Employers Who Hire and Retain Unemployed Workers

Two new tax benefits are not available to employers hiring workers who were previously unemployed or only working part time. These provisions are part of the Hiring Incentives to Restore Employment (HIRE) Act enacted into laws on March 18, 2010.

Employers who hire unemployed workers this year (after Feb. 3, 2010 and before Jan. 1, 2011) may qualify for a 6.2-percent payroll tax incentive, in effect exempting them from their share of Social Security taxes on wages paid to these workers after March 18, 2010. This reduced tax withholding will have no effect on the employee's future Social Security benefits, and employers would still need to withhold the employee's 6.2-percent share of Social Security taxes, as well as income taxes. The employer and employee's shares of Medicare taxes would also still apply to these wages.

In addition, for each worker retained for at least a year, businesses may claim an additional general business tax credit, up to \$1,000 per worker, when they file their 2011 income tax returns.

"These tax breaks offer a much-needed boost to employers willing to expand their payrolls, and businesses and nonprofits should keep these benefits in mind as they plan for the year ahead," said IRS Commissioner Doug Shulman.

These two tax benefits are especially helpful to employers who are adding positions to their payrolls. New hires filling existing positions also qualify but only if the workers they are replacing left voluntarily or for cause. Family members and other relatives do not qualify.

In addition, the new law requires that the employer get a statement from each eligible new hire certifying that he or she was unemployed during the 60 days before beginning work or, alternatively, worked less than a total of 40 hours for someone else during the 60-day period. The IRS is currently developing a form employees can use to make the required statement.

Businesses, agricultural employers, tax-exempt organizations and public colleges and universities all qualify to claim the payroll tax relief benefit for eligible newly hired employees. Household employers cannot claim this new tax benefit.

Employers claim the payroll tax benefit on the federal employment tax return they file, usually quarterly, with the IRS. Eligible employers will be able to claim the new tax incentive on their revised employment tax form for the second quarter of 2010. Revised forms and further details on these two new tax provisions will be posted on IRS.gov.

Loan Approvals can be viewed (by month and year-to-date) on our Website at

<http://www.sba.gov/localresources/district/wi/news/index.html>

2010 Lenders Conference

May 20-21, 2010

Kalahari Resort & Conference Center

Wisconsin Dells, WI

Keynote Address

Marianne O'Brien-Markowitz

SBA Midwest Regional Administrator

Innovative Break-Out Sessions

Networking Opportunities

Trappers Twin Golf Course

Friday, May 21st

1st 120 Golfers registered for conference

receive FREE Golf & lunch

Networking Reception

May 20th—5:30—9:00 pm

Lodging Rates: \$99.00. To reserve your room, call the

Kalahari at 877-253-5466 and ask for the Lenders Conference 2010 Room Block.

You can register online at: www.uwsp.edu/conted/conferences/lenders

You can also call 800-898-9472 (between 9am and 3pm) for more details and to receive the conference brochure

25th Annual Small Business Awards Breakfast

Friday - June 4, 2010

Italian Community Center Milwaukee

Registration Awards Breakfast

7:00 am—7:30 am

7:30 am—9:00 am

Guest Speaker

Roy Reiman, Founder of Reiman Publications

To register or for information call 414-297-1093

Where Can You Meet and Talk with SBA this Month?

[SBA will be at the GMCC Business Expo in Madison on April 27](#)

[SBA will be at the Genesis Development Center in Madison on April 27](#)

[SBA will be at the BizTech Expo April 28 & 29 at State Fair Park](#)