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Main Street Bank Helps Main Street Businesses Survive

WHEELING, W.Va. - One West Virginia lender has taken the American Recovery & Reinvestment Act (ARRA) charge of “helping to unlock the small business lending market to get capital flowing” very seriously. Main Street Bank, headquartered in Wheeling, W.Va., is responsible for over 21 percent of the total ARRA loans made in West Virginia since the inception of the program.

With 40 SBA-backed loan approvals totaling \$2,728,100 as of January 13, 2010, Main Street Bank has stepped to the forefront and made a huge difference for each and every one of those small businesses. In fact, the 40 loans are responsible for creating and/or retaining 237 jobs in the northern panhandle region of West Virginia.

The ARRA, signed into law by President Obama on February 17, 2009, is making a difference for West Virginia’s small businesses. Since its signing, the U.S. Small Business Administration (SBA) has provided loan guaranties to 186 West Virginia small businesses through lending institutions for a total of \$33.9 million.

Stimulus Retail Solutions is one small business which has benefited from SBA’s America’s Recovery Capital (ARC) loan program through Main Street Bank. This small independent software vendor located in Wheeling was experiencing cash flow issues due to the amount of time which lapsed between the completion of an installation and the actual receipt of payment. This created a situation where the company was spending more time trying to raise capital to pay creditors than on sales and marketing.

Benjamin Seidler, president of the company, approached Main Street Bank representatives Jim Croft and Todd Cover with his cash flow issues. They immediately thought of the interest-free, deferred payment ARC loan which was used to prepay creditors and solve the cash flow issue.

Another Wheeling company, Wilson Auto Glass, was facing the dilemma of having to reduce its staff as a result of the economic slowdown which also caused cash flow issues. The mild winter last year that reduced the need for windshield replacements, caused owner Paul Beck to seek financial assistance through an ARC loan, again through Main Street Bank.

After receiving a \$35,000 ARC loan, the maximum available under the program, Beck was able to satisfy his creditors, retain his employee level, and keep his business viable.

“The ARC loan provides critical capital and support small businesses need to make it through the tough economic times,” said Judy McCauley, director of SBA’s West Virginia District Office. *“Together with the other provisions of the Recovery Act, ARC loans are designed to free up capital and puts more money in the hands of West Virginia’s small businesses. I congratulate Main Street Bank on stepping up to help small businesses under the Recovery Act.”*

ARC loans are deferred-payment, SBA guaranteed loans, which can be up to \$35,000. They are intended for established, viable, for-profit small businesses in need of short-term help to make their principal and interest payments on existing qualifying debt. ARC loans are interest-free to the borrower, 100 percent guaranteed by the SBA, and have no SBA fees associated with them.

ARC loans are made by commercial lenders, not SBA directly. For more information on ARC loans and the Recovery Act, visit the SBA's web site at www.sba.gov/recovery or contact the West Virginia District Office (304) 623-5631.

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