

WYOMING LENDER ALERT

May 2010

**U.S. Small Business
Administration**

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Your Small Business Resource

SBA Recovery Lending Extended Through May

***Administrator Mills
presses for longer-term
extension for successful
programs***

President Barack Obama signed legislation providing \$80 million in additional funding to continue important enhancements in the U.S. Small Business Administration's two key 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 small business fee relief.

The SBA estimates the \$80 million will support about \$2.8 billion in small business lending under the 7(a) and 504 programs.

"Small businesses across the country have been able to secure critical financing as a result of the Recovery Act loan provisions and the continued interim funding we've received for the program," said SBA Administrator Karen Mills. "The increased guarantees and reduced fees on SBA loans have generated more than

\$25 billion in new loans to small business owners and brought more than 1,200 lenders back to SBA loan programs. In fact, the first two quarters of the current fiscal year have been our best two opening quarters ever for the 7(a) program, with more than \$7 billion in guaranteed loans. These programs have been successful in helping jump-start our economy, which is why we will continue to work with Congress on a longer term extension of the increased guarantee and reduced fees.

"We also know that small businesses could greatly benefit from the additional tools the President has proposed, including higher SBA loan limits and refinancing for commercial property mortgages, which could help thousands of small businesses avoid potential foreclosure. Small businesses need these improvements to ensure their access to the capital they need to drive economic growth and create jobs in communities all across the country."

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 reduce borrower fees on most 7(a) and 504 loans. The funds for these programs were exhausted on Nov. 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. SBA was authorized for an additional \$40 million in late March.

Under the new extension SBA may continue to reduce loan fees in its 7(a) and 504 programs and to provide higher guarantee levels on 7(a) loans through May 2010, or until the funds provided under the bill are exhausted.

This extension has no effect on the continued availability of financing under other SBA Recovery Act programs, including SBA's America's Recovery Capital (ARC) loan program and the agency's Microloan program. Recovery Act funding still remains available for both of those programs.

Steps to Keep Your Small Business Profitable During a Recession

By Daniel Hannaher, SBA Regional Administrator

The recession has hurt the financial bottom line of most small businesses across the nation. It is hard enough to keep a small business running during good times, let alone during an economic downturn. The counselors at SCORE (Service Corps of Retired Executives) have developed the following six strategic steps that a business owner can take to stay profitable during the recession.

1. Some customers are more profitable than others. Prioritize your customer lists to focus on the ones that have the greatest potential for a sale. Determine which customers are unprofitable or lack growth potential so you can delete them or re-allocate time towards your good customers.

2. Increase your marketing activities. A recession is not the time to decrease your marketing activities. Chances are that your competitors will follow this unwise strategy and lose market share. Look at an economic downturn as an opportunity - not a death sentence. Now is the time to increase your business' visibility and gain customer recognition.

3. Have you checked your NOL lately? Check with

your accountant to determine if your business has any NOL (Net Operating Loss) carry backs. In 2009, the IRS increased the carry-back period from two years to five years. This new tax provision could provide immediate cash relief to your bottom line.

4. Implement a forward looking cash flow report. A forward looking cash flow report is an estimate of your future cash availability, not a historical picture such as a balance sheet and income statement. An informal cash flow report starts with an opening cash balance and projects cash receipts and expenditures over a 10 to 12 month period. Cash flow is the life blood of all small businesses - especially during a recession. This report is too critical to delegate it to your accountant or bookkeeper.

5. Virtual office space can reduce overhead expense. This may be the year to consider shifting part of your business activities to a virtual office. A virtual office provides basic mail service and communications support at an office site location. Typically, the business owner only pays for the services provided and

does not include rent. A small business owner can reduce their rent expense by as much as 95 percent while retaining essential facilities.

6. Never carry excess inventory during a recession. Stale inventory is a drain on cash flow and can destroy a small business already hurt by the recession. Huge discounts on old or outdated inventory always brings the price conscience consumer to any business. Consider using one day sales to blow out excess inventory. Many keen business owners are now announcing these sales on social networks like Facebook and Twitter. According to one business owner, this type of sale can generate approximately one month's worth of revenue in one day.

Small business owners that think strategically during a recession will have the best chance of surviving over the long term. For expert advice on other ways to profit during the recession, contact your local SBA office in Wyoming at 307-261-6500 or <http://www.sba.gov/wy>.

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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 [Wyoming SBA District Office](#) or email the SBA Answer Desk or call them at 1-800-U-ASK-SBA (1-800-827-5722).



307 261-6505

Cloud Peak Endodontics, PC

Ted Stowe, D.D.S. started out with his own

office and equipment, which is not easy to do,

but he had a plan. That plan was to contact four

selected banks in Buffalo, Wyoming by email, letting them know he wanted to start a new business, and attached his well developed business plan; he also wanted to purchase a home in the same area. Three banks replied and he set up his first interview. He selected the American National Bank to do his banking with and the president of the local branch, Roberta Schrater, helped him in preparing for a Small Business Administration LowDoc loan, which is paid-in-full, and later a home loan. He was able to open his office doors in August 2003. Since then Dennis Hotchkin, Commercial Loan Officer, has been helping him whenever he needs his expertise. Ted wanted to keep his money locally, and American National Bank did just that for him.

Most banks were unfamiliar with Dr. Stowe's type of dentistry, which is endodontics. This is the field of dentistry dealing with surgical and non-surgical root canal procedures. This is what he does and has been very

well trained at doing it. It took additional years of training beyond dental school to obtain this specialization. He takes the most complicated and most difficult cases to work on. Ted compares his specialty to going to an obstetrician to have a baby instead of going to a general physician. If you needed a complicated root canal performed, you would go to an endodontist who specializes in the field, instead of a general dentist.

Ted said the dentists of today are often in the business of selling dentistry to their patients, many offer the brighter, whiter, Hollywood-Type smile. Since root canals are usually not an elective procedure, he does not feel that he has to sell the product to anyone. He simply lets them know what is required to save the tooth and proceeds from there. This is the way he likes it.

Dr. Stowe did his undergraduate work in 1991 at Weber State University in Ogden, Utah. He then went to West Virginia University in Morgantown, West Virginia for dental school and then spent two years with

the Indian Health Service working as a dentist on an Indian Reservation in Yakima, Washington. After that from 2001-2003, he did his endodontic residency at the University of Michigan and was then ready to open his clinic in August of 2003. He continues as a faculty member at the University of Michigan, which he visits a few times each year, and volunteers at Sheridan College in Wyoming, conducting lectures for the dental hygiene program.

When Ted first opened his doors, he had two full time employees, now he has one full time and seven part time employees. His business has become so successful he brought in an associate at the beginning of summer 2009 and has hired another full-time and two more part-time employees. He practices in Sheridan, Gillette and Casper. You can reach Dr. Stowe toll free at 877-877-5373.



Calendar of Events

- May 4 Women's Round-table Newcastle
- May 5 Women's Round-table Casper
- May 6 Women's Round-table Laramie/Jackson
- May 6 Gov. Contracting Workshop, Evanston
- May 13 Women's Round-table, Buffalo
- May 19 Women's Round-table, Wheatland
- May 23, 24, 25 Small Business Week
- May 27 Women's Round-table, Worland