

WYOMING LENDER ALERT

November 2009

**U.S. Small Business
Administration**

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Recovery Act Helps Boost Small Business Lending in Wyoming

SBA's Wyoming District Office realized a significant increase in loan activity from the time when the American Recovery and Reinvestment Act was signed on February 17th. The SBA approved 108 7(a) and 504 loans since the Recovery Act was signed into law. For the full fiscal year 2009, which ended on September 30th, the SBA's Wyoming District Office approved 135 7(a), and 504. This compares with 79 loans in the previous year. A total of 24 American Recovery Capital Loans (ARC) were approved.

"Since Recovery Act was signed on February 17th we've seen an impressive rebound in SBA-backed loans for Wyoming small businesses and greater access to much-needed capital," stated SBA District Director Steven F. Despain. "Wyoming saw an increase saw a 36 percent increase in SBA loan volume and

made more rural, veterans and minority loans than the previous year. Overall, there was an eighty percent increase in lending across the state."

The stimulus package produced an important increase in lending throughout Wyoming, assisting small businesses and those they employ. The American Recovery and Reinvestment Act provided the SBA with \$730 million to temporarily eliminate most borrower loan fees and raised the SBA guarantee to 90 percent on most loan programs. The Recovery Act also provided for two new loan programs - the America's Recovery Capital (ARC) Stabilization Loan and the Dealer Floor Plan (DFP) Pilot Program (a type of financing for inventory for most auto dealers).

"The Recovery Act has had a real impact in Wyoming." The SBA continues to take a

prominent role in supporting Wyoming's small business community as small firms struggle to recover from these uncertain economic times. The SBA remains vigilant and will continue to support the small businesses community throughout our state.

The Wyoming District Office and its technical assistance resource partners also had a very successful year providing counseling and training throughout the state. Collectively, over 3,725 established or prospective entrepreneurs received counseling and training from SBA and its resource partners, including SCORE and the Small Business Development Center network.

For more information on the Recovery Act, SBA loan programs and FY2009 loan statistics please call the Wyoming District Office at (307) 261-6500 or visit our website: <http://www.sba.gov/wy>.

SBA Launches New Online Training Course: Winning Federal Contracts —A Guide for Women Entrepreneurs

Women who own small businesses will be able to use a new online U.S. Small Business Administration training course to learn how to identify and take advan-

tage of federal contracting opportunities. The new training course, *Winning Federal Contracts: A Guide for Women Entrepreneurs*, is part of an ongoing govern-

ment-wide initiative to promote opportunities for women-owned businesses in the area of government goal.

This free online tutorial is a

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For more information visit <http://www.sba.gov/wy> or call Sharon Nichols at 307-261-6508 or email sharon.nichols@sba.gov.

practical and easy to use guide that walks a woman-owned small business through the contracting process. SBA is committed to ensuring that women-owned businesses receive at least 5 percent of federal contracts and believes better training opportunities are central to meeting this government-wide goal.

"Federal contracts can provide unique opportunities for women entrepreneurs and small business owners to grow their businesses and create jobs, particularly during these tough economic times," Administrator Karen Mills said. "It's also a win for federal agencies, by contracting with women-owned small businesses; they are working with some of the most innovative and dynamic companies in the country."

The SBA's Office of Women's Business Ownership oversees a national network of more than 100 Women's Business Centers (WBCs) that provide education and training to help women start and grow small businesses. In addition, the SBA has 68 district offices and other resource partners throughout the country available to train and counsel women-owned small businesses and entrepreneurs seeking government contracts.

"This online training course makes critical information and training available to an even wider array of women entrepreneurs and small business owners," said Ana Harvey, assistant administrator for SBA's Office of Women's Business Ownership. "SBA wants to help ensure they have the tools

and resources they need to compete for and win federal contracts."

The *Winning Federal Contracts* course is designed to help women entrepreneurs learn about the federal procurement process and to prepare them to compete for contracting opportunities. The self-paced guide uses audio and script to provide information about contract rules, how to sell to the government and where to find contracts.

The *Winning Federal Contracts* course is available on SBA's Web site at www.sba.gov or directly at www.sba.gov/fedcontractingtraining. It is indexed by subject matter, and includes direct links to additional contracting resources.

SBA Proposes Revision of Size Standards to Expand Opportunities for Small Businesses

The U.S. Small Business Administration is proposing increases in the size definitions for three broad commercial sectors. The proposed increases cover size standards for 71 different types of businesses, two-thirds of them in retail trade sectors. The rest are in accommodations and food services, and other services.

The changes, if adopted, will expand eligibility to small businesses and help them gain access to SBA's financial assistance, contracting and other programs.

"SBA has undertaken a comprehensive review of our size standards to ensure they are current and reflect changes in the

economy and the marketplace," SBA Administrator Karen Mills said. "SBA's lending and government contracting programs provide effective opportunities for small businesses to help them expand and create jobs, especially during these tough economic times. This review and proposed changes will help make these critical programs available to more small businesses and ensure SBA is in a position to be a real partner in helping our nation's entrepreneurs and small business owners succeed."

SBA recognizes that in some industries, existing size standards have been affected by changes in industry structure, market conditions and business models. SBA is therefore conducting a com-

prehensive review of all its small business size standards, and these three proposed rules are the first in the series. SBA is examining every industry to ensure that existing size standards are based on current economic data and SBA will propose to revise those where it believes it is necessary. The newly proposed rules give the public an opportunity to review and comment on SBA's proposed standards as well as on the data and methodology that SBA uses to evaluate and revise size standards.

Before this comprehensive review, the last overall review of size standards occurred more than 25 years ago. Since then,

SBA Seminars

Free Money-Fact or Fiction

Nov 5, 6:00pm-8:00pm
Sheridan County Fulmer Library, to register
[ph 307-682-5232](tel:307-682-5232) or
www.wyen.biz

Start Your Own Business

Nov 12, 6:30pm-8:30pm
Wheatland, Platte County Library, to register
[ph 307-322-4232](tel:307-322-4232) or
dcbrecht@yahoo.com

Start Your Own Business

Nov 17, 6:30pm-8:30pm
Douglas, Eastern WY College Campus, to register
[ph 307-358-5622](tel:307-358-5622) or
jamie.sullivan@ewc.wy.edu

Free Money-Fact or Fiction

Nov 18, 6:30pm-8:30pm
Douglas, Eastern WY College Campus, to register
[ph 307-358-5622](tel:307-358-5622) or
jamie.sullivan@ewc.wy.edu

Free Money-Fact or Fiction

Dec 3, 6:30pm-8:30pm
Wheatland, Platte County Library, to register
[ph 307-322-4232](tel:307-322-4232) or
dcbrecht@yahoo.com

most reviews of size standards have been limited to in-depth analyses of specific industries requested by the public and federal agencies. The SBA also makes periodic inflation adjustments to its dollar-denominated size standards. The latest inflation adjustment to size standards was published in the

Federal Register on July 18, 2008.

Comments can be submitted on this proposed rule on or before December 21, 2009, to www.regulations.gov, where they will be posted, or mailed to Khem R. Sharma, chief, Size Stan-

dards Division, 409 3rd St. SW, Mail Code 6530, Washington, DC 20416, or via e-mail at:

sizestandards@sba.gov. For more information about SBA's revisions to its small business size standards, Visit:

<http://www.sba.gov/size> and click on "What's New."



307 261-6505

7(a) Loan Fixed Interest Rate

Last month we talked about the changes made to the fixed rate for 7(a) loans and here is the reason why

- More small businesses have access to fixed rate loans to help meet their capital needs.
- Small business owners can factor stable and predictable monthly loan payments into their long-term business plans.
- Borrowers have the opportunity to lock in historically-low interest rates over the life of their loans.
- New methodology for calculating and setting long-term maximum fixed interest rates for 7(a) loans.
- Interest rates on SBA loans can be set as either variable rates - which change as the prime, LIBOR or SBA peg base rate changes - OR at fixed rates - which remain the same throughout the entire life of the loan.
- SBA anticipates greater access to fixed rate 7(a) loans for small business owners. In fiscal year 2009, fixed rate loans accounted for only 2 percent of overall 7(a) loan approvals.
- Borrowers have the opportunity to lock in historically-low interest rates over the life of their loans. As a result, small business owners can factor stable and predictable monthly loan payments into their long-term business plans.
- Applies only to fixed interest rate loans, where the rate stays constant throughout the entire life of the loan.

SBA Creates Secondary Market Guarantee Program for 504 First Mortgage Loan Pools

Regulations by the U.S. Small Business Administration will create a secondary market guarantee program to provide greater liquidity for lenders and expand access to capital for small businesses.

Funded through the American Recovery and Reinvestment Act, the new program would encourage sales into the secondary market of the "first mortgage" portion of small business financing made possible through SBA's 504 Certified Development Com-

pany (CDC) program. As a result of the economic recession and disruption in credit markets, there has been a significant decline in secondary market activity for 504 first mortgage loans.

"This new program will stimulate activity in the secondary market, ensuring lenders have a place to sell first mortgage loans on their books and in turn have liquidity to make more loans to small businesses," SBA Administrator Karen Mills said. "This is another tool in

our Recovery toolbox that will expand access to the capital small business need to drive economic growth and create jobs."

Under the new program, portions of eligible 504 first mortgages pooled by originators or broker dealers could be sold with an SBA guarantee to third-party investors in the secondary market. Lenders will retain at least 15 percent of each individual loan, pool originators will assume 5 percent of the risk, and the SBA will guarantee the remaining 80

This new program will stimulate activity in the secondary market

percent. To be eligible to be included in a pool, the first mortgage must be associated with a 504 loan disbursed on or after Feb. 17, 2009. The program will be in place until Feb. 16, 2011, or until \$3 billion in new

pools are created, whichever occurs first.

SBA will begin accepting applications to become a pool originator from banks and broker dealers immediately, and expects to be operational for the settlement of pools in about 60 days.

For more information, lenders or broker/dealers can contact James W. Hammersley, Deputy Assistant Administrator for Policy and Strategic Planning at james.hammersley@sba.gov.

SBA Proposes New Regulations to Strengthen the 8(a) Business Development Program for Small Businesses

The U.S. Small Business Administration announced proposals aimed at strengthening opportunities for disadvantaged small businesses to benefit from its 8(a) Business Development program.

The proposed 8(a) regulation changes are the result of the first comprehensive review of the 8(a) program and were published in the *Federal Register*. The rules cover a variety of areas, ranging from providing further clarification on determining economic disadvantage to requirements on Joint Ventures and the Mentor-Protégé program. The public comment period on the proposed changes is open for 60 days.

"The 8(a) program has a proven record as an effective program for helping disadvantaged small businesses gain access to training and contracting opportunities to help them grow, create jobs and ultimately succeed in the marketplace once they graduate from the program," SBA Administra-

tor Karen Mills said. "These proposed changes build on that foundation of success, and will strengthen the program and maximize its benefits for eligible small businesses."

Some of the components of the 8(a) program that the proposed changes will affect include:

- Joint Ventures – qualifying that 8(a) firms are required to perform a significant portion of the work to ensure that these companies are able to build capacity;
- Economic Disadvantage – providing more clarification on economic disadvantage as it relates to total assets, gross income, retirement accounts and a spouse of an 8(a) company owner in determining the owner's access to capital and credit;
- Mentor-Protégé Program – requiring that assistance provided through the Mentor-Protégé relationship is directly tied to the protégé firm's business plan;
- Ownership and Control

Requirements – providing flexibility in admitting individuals of immediate family members of current and former 8(a) participants;

- Tribally-Owned Firms – seeking public comments on the best way to determine whether a tribe meets the criteria of being economically disadvantaged for the 8(a) program;
- Excessive Withdrawals – amending regulations on what is considered excessive as a basis for termination or early graduation from the 8(a) program; and
- Business Size for Primary Industry – requiring that a firm's size status remain small for its primary industry code during its participation in the 8(a) program.

Small businesses may submit comments to this proposed rule on or before Dec. 28, 2009, to: www.regulations.gov, where they will be posted or mailing them to 409 3rd St. SW, Mail Code: 6610, Washington, DC 20416 or via e-mail at: 8aBD2@sba.gov.

The 8(a) program has a proven record as an effective program for helping disadvantaged small businesses gain access to training and contracting opportunities

Calendar

Nov. 3 Women's Round-table Powell

Nov. 4 Women's Round-table Casper

Nov. 5 Women's Round-table Laramie/Jackson

Nov.12 Woman's Round-table Buffalo

Nov.18 Women's Round-table Wheatland

Nov.19 Women's Round-table Worland