



SBA announces loan program changes

The SBA has announced several changes to their 7(a) and 504 loan programs that became effective on October 1, 2004. The changes result in part from the continuing resolution passed by Congress, which will remain in effect until November 20.

The maximum guaranty limit on 7(a) loans is now \$1 million. The maximum loan amount in the SBA *Express* loan program is now \$250,000.

The loan guaranty fees have also changed. For loans of \$150,000 or less, the fee is 2 percent of the SBA guaranteed portion. For loans over \$150,000 to \$700,000, the fee is 3 percent, and for loans over \$700,000 the fee remains unchanged at 3.5 percent.

The guaranty fee paid by borrowers in the 504 loan program has decreased to 0.288 of one percent. The fee is required by federal law and is adjusted annually to cover 504 loan program costs associated with loan defaults, and to keep the program at a zero subsidy rate.

For more information about the SBA loan programs, contact the Rhode Island District Office at (401) 528-4561, or visit the SBA Web site financing page www.sba.gov/financing/index.html.

Another record year for SBA lending in Rhode Island

Rhode Island small businesses received a record 1139 loans that were guaranteed by the SBA during the fiscal year that ended on September 30. That represents a four percent increase over last fiscal year.

The SBA-backed loans injected \$106.8 million into the state's economy and resulted in the creation or retention of 3,268 Rhode Island jobs.

Loans to minorities and women totaled 371, a slight increase over last year. Veterans received 121 loans, also up slightly over last year.

"Once again the Small Business Administration continues to make a difference in the Rhode Island economy by providing the access to capital that entrepreneurs need to start and grow their businesses," said Stephen D. Umberger, Acting Director of the Rhode Island District Office. "I congratulate the Rhode Island lending community for producing a record number of SBA guaranteed loans, and our resource partners, SCORE, the R.I. Small Business Development Center, and the Center for Women & Enterprise, for providing over 7,000 clients with training and counseling services. Our record

year is proof that the Rhode Island economy is expanding and creating or retaining jobs," Umberger added.

The Rhode Island District Office trained and counseled nearly 1,900 clients and 1,160 entrepreneurs visited the Business Information Centers in Providence and Warwick.

The Rhode Island chapter of SCORE provided assistance to nearly 1,800 clients while the Rhode Island Small Business Development Center provided technical assistance and training to 3,463 clients. The SBA's Women's Business Center in Rhode Island, the Center for Women & Enterprise, counseled and trained 2,220 clients. CWE also assisted 36 women entrepreneurs with loan approvals totaling \$3.4 million.

For the tenth consecutive year, Citizens Bank finished as the top SBA lender in Rhode Island with 716 loans for \$28.2 million.

To view the complete list of Rhode Island lenders and the number of loans they made in Fiscal Year 2004, see the complete lenders report on page 7.

The SBA guaranteed 8,053 loans totalling \$930 million to small business across New England, an 11 percent increase over last year.

Nationally, the SBA guaranteed a record 82,993 loans totaling \$16.4 billion.

SBA Deputy Administrator Melanie Sabelhaus visits Rhode Island



(Left photo) Deputy Administrator Melanie Sabelhaus meets with Anthony, Leonard and Larry Gemma of Gem Plumbing & Heating. The company is the Rhode Island and New England 2004 SBA Family-owned Small Business of the Year.

(Right photo) Sabelhaus poses with the Rhode Island ATHENA Award nominees. She delivered the keynote address at the awards dinner in Westerly.



Deputy Administrator Sabelhaus discusses issues and concerns with small business leaders and entrepreneurs during a roundtable at the Central Rhode Island Chamber of Commerce in Warwick.

SBA Deputy Administrator Melanie Sabelhaus had the opportunity to meet with Rhode Island small business owners and advocates during a day-long visit to the Ocean State on October 21.

Sabelhaus was in Rhode Island to deliver the keynote address at the ATHENA Awards dinner in Westerly. The awards recognize outstanding women in the community, and create leadership opportunities for women.

While in the state, the deputy administrator also met with small business owners for a roundtable discussion to explain SBA initiatives

and to listen to their concerns and suggestions regarding issues that affect their daily operations.

Sabelhaus visited several successful small businesses that have received assistance from SBA and delivered brief remarks at the monthly Warwick Rotary Club meeting.

She told the audience about the tremendous growth of women-owned small businesses across the country and the impact they are having on the economy. She also mentioned the record amount of lending to small businesses by the SBA during the past fiscal year.

Sabelhaus visited Gem Plumbing and Heating Company in Lincoln, the 2004 Rhode Island and New England SBA Family-owned Small Business of the Year; Abbott Valley Veterinary Center in Cumberland, the recipient of several SBA 7(a) loans and a 504 loan that enabled the construction of a state-of-the-art veterinary hospital; and Pawtuxet Valley Prescription & Surgical Center in Coventry that received several 7(a) loans.



Stephen D. Umberger

From the District Director's Desk

It's a new fiscal year for us here at the SBA, and I hope it is as successful as last year. I am so pleased that our agency has been able to help a record number of entrepreneurs realize their dream of owning or growing a small business. This is true not only here in Rhode Island but across the country. The access to capital that we have provided not only injected more than \$106 million into the state's economy, but also helped to create or retain over 3,000 Rhode Island jobs.

Earlier this month I accompanied Lt. Governor Fogarty and a number of state and local elected officials on walking tours of Broad Street in Providence's Southside and Dexter Street in Central Falls. It was an excellent opportunity to meet Latino-owned small business owners and to discuss the resources that we have available to assist them as they seek to grow their businesses. Their success continues to make a significant contribution to the growth not only the Rhode Island but also the national economies.

We are now seeking nominations for the 2005 Small Business Awards. You may know someone who is deserving of recognition either for their success as an entrepreneur, or for their efforts on behalf of

the small business community. I urge you to review the nomination form and award criteria on pages 5 and 6 of this issue and consider nominating someone for one of these prestigious awards. Winners will be honored during the R.I. Salute to Small Business next spring.

Rhode Island Minority Enterprise Development Week will be celebrated December 6-10. An awards dinner, business expo, networking reception, and free workshops are included in the celebration. Watch your mail for details about these events. We will be announcing details very soon.

I assure you that all of us at the SBA will continue our best efforts to assist small business in the new fiscal year.

Business.gov provides an official link to the U.S. Government

Over 40 different Federal agencies assist or regulate businesses. With so many sources of information, finding what you want can be complicated and time-consuming. Business.gov is an E-Government initiative that was developed to provide better customer service for small businesses interacting with the Federal Government.

Business.gov is a collaborative effort managed by the SBA. Partners include the Department of Commerce (DOC), Department of Energy (DOE), Department of Health and Human Services (HHS), Department of Homeland Security

(DHS), Department of the Interior (DOI), Department of Justice (DOJ), Department of Labor (DOL), and Department of Transportation (DOT), the Environmental Protection Agency (EPA), General Services Administration (GSA), and Social Security Administration (SSA).

SBA and their partner agencies share the belief that government can be more customer-focused and user-friendly in helping U.S. small businesses gain access to information and services from

the government. Business.gov provides a one-stop, common access point for Federal Government services and information needed to assist with starting, running, and growing a business.

***For a listing of
workshops and events
visit the
SBA Rhode Island
Web site
www.sba.gov/ri***

Executive order encourages federal contracting for service-disabled, veteran businesses

The President issued an Executive Order on October 20 designed to strengthen and increase opportunities in federal contracting for small businesses owned by service-disabled veterans.

The order requires heads of agencies to provide significantly more contracting and subcontracting opportunities to service-disabled veteran-owned small businesses (SDVOSB).

The Executive Order establishes a goal of not less than three percent for participation by service-disabled veteran businesses in federal contracting, and authorized agency contracting officers to reserve certain procurements for service-disabled, veteran-owned small businesses.

The order requires SBA to provide SDVOSB with information and assistance concerning participation in federal contracting; to advise and assist heads of agencies in their implementation of the executive order; and make available to SDVOSB training in federal contracting law, procedures and practices that would assist such businesses in participating in federal contracting.

For more information about SBA's Service-Disabled Veterans Business program, visit: www.sba.gov/VETS/index.html. The executive order can be found at www.whitehouse.gov/news/releases/2004/10/print/20041021-5.html.

SBA, state and local officials tour Latino-owned small businesses



Ada Terro, owner of Ada's Creations greets SBA Acting District Director Stephen Umberger (far left), and Lt. Gov. Charles Fogarty.

SBA Acting District Director Stephen Umberger (far right), and R.I. Lt. Governor Fogarty listen to the concerns of Jhonny "Bomba" Rodriguez, owner of El Palacio de la Musica.



Izulec Beauty Salon owner Alexandra Izurieta (second from left), chats with (from left) Central Falls councilman Ricardo Patino, Mayor Charles Moreau, SBA Acting District Director Stephen Umberger, Adriana Dawson of the R.I. Small Business Development Center, and Lt. Gov. Fogarty.

Federal, state and local officials, including SBA Rhode Island Acting District Director Stephen Umberger, walked through a section of Broad Street on Providence's Southside and Dexter Street in Central Falls earlier this month to visit Latino-owned small businesses. The purpose of the walking tours was to provide information about resources available to them from the Small Business Administration and to promote the second annual Latino Business Expo that was held at Rhodes on-the-Pawtuxet in Cranston on October 15.

Umberger accompanied R.I. Lieutenant Governor Charles Fogarty, local elected officials, and representatives from merchants groups.

Some small business owners indicated that they needed more assistance developing business plans and were interested in training opportunities. Others indicated a need for adequate financing to help expand their businesses.

SBA English and Spanish-language small business resource guides were distributed to the merchants during the tour.

*2005 Rhode Island Salute to Small Business***AWARDS NOMINATION FORM***NOMINATION DEADLINE: November 19, 2004***AWARD CATEGORIES:**

Individuals may not be nominated in more than one award category. Please check the appropriate boxes below. The award category descriptions and criteria are listed on page 6.

- Small Business Person Small Business Exporter SBA Young Entrepreneur
 SBA Family-Owned Small Business of the Year Financial Services Champion
 Minority Small Business Champion Women in Business Champion Small Business Journalist
 Veteran Small Business Champion Home-based Business Champion

Name of Nominee: _____

Company Name: _____

Address: _____

City/Town: _____ State: _____ Zip: _____

Phone: _____ Fax: _____ E-Mail: _____

Nominator: _____

Company/Organization: _____

Address: _____

City/Town: _____ State: _____ Zip: _____

Phone: _____ Fax: _____ E-Mail: _____

**Mail nomination form to: U.S. Small Business Administration,
380 Westminster Street, Room 511, Providence, RI 02903**

Fax to: (401) 528-4539

**To nominate candidates online:
www.sba.gov/ri/ridosbwnominations.html**

**Nominations must be received by the Rhode Island District
Office by the close of business on Friday, November 19, 2004.**

Criteria for 2005 Small Business Awards

Small Business Person of the Year

Criteria: Staying Power (history as an established business); Growth in number of employees-(impact of business on job market); Increase in sales and /or unit volume-(continued growth); Current and Past Financials-(improved position last 3 years); Innovativeness of product/service-(creativity/imagination of nominee); Response to adversity-(Problems faced and how they were resolved); Evidence of contributions to community-oriented projects (evidence of personal time and resources).

SBA Young Entrepreneur of the Year

Under age 30 on June 1, 2005; Evidence of success as measured by sales and profits-(Profit and Loss Statements and Balance Sheets for past 3 years); Increased employment opportunities created by nominee's business; Development and/or utilization of innovative or creative business methods; Demonstrated entrepreneurial potential necessary for long term business success and economic growth.

Small Business Exporter of the Year

Criteria: Increased sales, profits and/or growth of employment because of exporting-(Profit and Loss Statement and Balance Sheets for 3 years); Creative overseas marketing strategies; Effective solutions to export-related problems; Demonstrated encouragement of other small businesses to export; Voluntary assistance to other small businesses entering the export market; Cooperation with other firms in creation of export trading companies and/or introduction of unique trading relationships, products or services.

SBA Family-Owned Small Business of the Year

Criteria: Family-owned and operated business which has been passed on from one generation to another. Nominee must have served as a majority owner/operator or bear principal responsibility for operating a small business with at least a 15-year track record. Evidence of success (profit and loss statements and balance sheets past 3 years); Increased employment opportunities for family members and non-family members; Demonstrated potential necessary for long-term business success and growth; Voluntary efforts to strengthen family-owned businesses in the community.

Minority Small Business Champion

Criteria: Voluntary efforts beyond business/professional services; Efforts to improve condition in minority small business community; Voluntary professional services to the minority small business community; Accomplishments in advising minority small business groups of opportunities within overall business community; Other accomplishments demonstrating nominee's merit as an effective advocate.

Women in Business Champion

Criteria: Active support for legislative or regulatory action to help small business; Efforts to increase business and financial opportunities for women. Legal, financial or managerial assistance provided to enhance women's business ownership; Voluntary efforts to strengthen the role of women business owners; Advocacy of the women-owned business community as a whole, not solely for individual personal advancement; Other accomplishments demonstrating effectiveness in improving the environment for the creation and expansion of businesses owned and operated by women.

Veteran Small Business Champion

Criteria: Active support for legislative or regulatory action to help small business; Evidence of increased business opportunities for veterans as a result of nominee's actions; Advisory activities to improve awareness among veterans groups of small business opportunities; Advocacy of special consideration for veterans in government small business policy making; Effective support within the community for the establishment of veteran-owned small businesses; Other accomplishments demonstrating the nominee's effective advocacy of veteran-owned small business.

Financial Services Champion

Criteria: Outside of regular business duties, the amount and quality of assistance given small businesses to obtain financing; Advocacy of changes in the financial services industry to assist small companies; Encouragement of the flow of investment capital to small ventures; Active support for legislative or regulatory action designed to help small firms; Other significant contributions through the financial services or accounting industries to advance small business interests.

Home-based Business Champion

Criteria: Volunteering time and energy to improve the conditions for home-based businesses; Engaging in entrepreneurial training, policy development efforts, or financial or business planning specifically tailored for home-based businesses; Demonstrated interest in home-based business as an owner or former owner; Measurable accomplishments in advancing home-based businesses, such as adoption of public policy or expansion of a program.

Small Business Journalist of the Year

Criteria: Concerted efforts to increase public understanding of the importance of small business contribution to the economy; Contribution of news and feature stories, editorials, columns and commentary that highlight and analyze small business issues; Voluntary community service aimed at enhancing small business opportunity and growth; Other achievements that exemplify the nominee's media effort to improve the understanding of small business' role in the economy.

Rhode Isl and SBA Bank Rank

Fiscal Year 2004 – October 1, 2003 to September 30, 2004

7(a) Approved Loans by SBA Lenders by Number of Loans and Volume

| | | |
|---|-------------|---------------------|
| 1. Citizens Bank of Rhode Island | 716 | \$28,201,294 |
| 2. BankRI | 70 | \$11,755,800 |
| 3. The Washington Trust Co. | 69 | \$13,914,350 |
| 4. Coastway Credit Union | 50 | \$9,072,000 |
| 5. Sovereign Bank New England | 42 | \$4,930,500 |
| 6. Fleet Bank | 39 | \$3,808,600 |
| 7. FirstFedAmerica/Webster Bank | 38 | \$5,904,500 |
| 8. Capital One F.S.B. | 16 | \$545,000 |
| 9. Freedom National Bank | 13 | \$1,742,500 |
| 10. Independence Bank | 10 | \$4,160,000 |
| 11. Home Loan and Investment Bank | 6 | \$555,000 |
| 12. Greenwood Credit Union | 4 | \$535,000 |
| 13. CIT Small Business Lending | 3 | \$2,446,000 |
| 14. Minority Investment Development Corp. | 3 | \$296,000 |
| 15. UPS Capital Business Credit | 2 | \$490,000 |
| 16. Business Dev. Co. of Rhode Island | 2 | \$300,000 |
| 17. Business Lenders LLC | 1 | \$591,000 |
| 18. Bank North, N.A. | 1 | \$555,000 |
| 19. Pitney-Bowes Small Business Lending | 1 | \$528,728 |
| 20. Business Loan Center | 1 | \$325,000 |
| 21. First Trade Union Bank | 1 | \$300,000 |
| 22. Bank of Fall River | 1 | \$225,000 |
| 23. Compass Bank for Savings | 1 | \$200,000 |
| 24. Domestic Bank | 1 | \$123,000 |
| 25. Stearns Bank, N.A. | 1 | \$120,000 |
| 26. Fall River Five Cent Savings Bank | 1 | \$100,000 |
| 27. Innovative Bank | 1 | \$5,000 |
| 28. BankNewport | 0 | |
| 29. Bristol County Savings Bank | 0 | |
| 30. Centreville Savings Bank | 0 | |
| 31. Coventry Credit Union | 0 | |
| 32. Danvers Savings Bank | 0 | |
| 33. G.E. Capital Small Business Finance Corp. | 0 | |
| 34. NewportFed | 0 | |
| 35. Slade's Ferry Bancorp | 0 | |
| Sub-Total: | 1094 | \$91,729,272 |

Certified Development Companies (504 Loans)

| | | |
|---|-----------|---------------------|
| Ocean State Business Development Authority | 25 | \$13,917,000 |
| Bay Colony Development Corporation | 3 | 430,000 |
| Rhode Island Community Investment Corporation | 1 | 150,000 |
| Total 504 Loans | 29 | \$14,497,000 |

SBA MicroLoans

Loans made through SBA-approved, non-profit, MicroLoan intermediary

| | | |
|--|-------------|----------------------|
| Rhode Island Coalition for Minority Investment | 16 | \$379,500 |
| Total Loans | 1139 | \$106,838,044 |

U.S. Small Business Administration



Your Small Business Resource

PRESORTED STANDARD
POSTAGE AND FEES PAID
SBA
PERMIT No. G-82

Rhode Island District Office

380 Westminster Street, Room 511
Providence, Rhode Island 02903

OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE \$300

SBA Communicator

News from the Rhode Island District Office

October 2004

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Editor

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www.sba.gov/ri

U.S. Small Business Administration



Your Small Business Resource



Save the Date

MED Week 2004 Awards Dinner

"A Celebration of Minority Enterprise Development"

December 7, 2004

**Rhodes on-the-Pawtuxet
60 Rhodes Place
Cranston, RI**

- Business Expo
- Networking Reception
- Awards Dinner

*MED Week is presented in cooperation with
Rhode Island's Chambers of Commerce*

For more information call (401)528-4561