



NEWS & VIEWS

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SBA News and Views is a monthly publication of the SBA Wisconsin District Office. Its purpose is to provide Wisconsin lenders and small business leaders with up-to-date information on SBA programs and small business issues. It is distributed at no cost, and the reprinting of articles is encouraged.

SBA LIFTS \$500,000 LOAN CAP, BOOSTS FY 2003 LOAN VOLUME TO \$9.4 BILLION

Implementation of Agency's Econometric Subsidy Model Allows Bigger Loans, Greater Loan Volume

Administrator Hector V. Barreto of the U.S. Small Business Administration lifted a 5-month cap on SBA-backed loans and invited participating lenders to resume submitting applications for guaranteed loans up to the \$2 million statutory limit.

The decision was made possible by President Bush's signing of recently adopted legislation that allows the agency to implement its revised econometric subsidy model, which more accurately forecasts the actual costs of the 7(a) loan program. The model will be applied retroactively to the beginning of current fiscal year.

The econometric model, in combination with appropriation

levels provided in the FY 2003 budget, will allow the agency to approve more than \$9.4 billion in 7(a) loans during the current year, plus \$1.8 billion in STAR loans that have already been made.

"We are happy to be able to help small businesses looking for access to capital, and we are proud to do our part helping them to create new jobs for Americans," said Administrator Barreto. "The \$500,000 cap on our maximum loan size was a management tool we had to adopt to address the funding limitations placed on the agency in October while maintaining continued service to the maximum number of small businesses.

"We pledged a year ago to solve this problem in time for FY 2004, and we've done it," Barreto continued. "The model we've created ahead of schedule employs the best practices of the business world and the federal government. By passing this legislation, Congress has

affirmed our work, and allowed us to apply this model to the current fiscal year, which will greatly increase our capacity to provide financing for credit-hungry small businesses."

"Having the \$500,000 removed will allow us to help Wisconsin's business communities create and expand more small businesses," said Wisconsin SBA District Director Eric Ness.

The decision to lift the loan cap is effective immediately.

SBA ADMINISTRATOR BACKS ASSOCIATION HEALTH PLANS FOR SMALL BUSINESSES

At a press conference in Washington, D.C., SBA's Administrator Hector V. Barreto said: "The creation of **Association Health Plans - AHPs** would mean essential cost savings and increased variety in plan choices for the self-employed and small firms. Most importantly, they would expand

access to health insurance to millions of people. AHPs will reduce the number of uninsured Americans.”

Through AHPs, employers could ban together across state lines, through trade and professional associations to purchase health insurance, giving participating small employers the same opportunities for providing affordable employee health coverage as larger employers.

Barreto pointed out that “AHPs will improve small business profitability and the ability of small-business owners to compete for the skilled employees they need to be successful.” He added that the creation of AHPs “will also have an enormous impact on the health and peace of mind of the people who keep this country economically vibrant: small-business owners. These are the people who create most of the country’s new jobs, as well as the most innovative products and services.”

Barreto shared his personal experience—as a former business owner and as current head of the SBA—with the difficulty that small-business owners have purchasing health benefits. “In my position, I interact with small-business owners from all over the country. They all inevitably ask me the same thing: what can they do, and what can people in Washington do, to make their health care more affordable? AHPs are a key part of the answer to this serious small-business dilemma. “President Bush supports the creation of AHPs, and I

personally look forward to seeing AHPs become the law of the land. It will mean that I’ll finally have an answer to that question that I’m asked everywhere I go: ‘what can we do about health care?’”

For additional information on AHP’s, see the [Department of Labor website](#).

NEW WOMEN’S WEB SITE LAUNCHED

www.women-21.gov/index2.asp
Hector V. Barreto, Administrator of the U.S. Small Business Administration and U.S. Secretary of Labor, Elaine L. Chao announced the launch of www.women-21.gov/index2.asp, a new Web site to help women small business owners deal with the ever-changing business climate and identify federal government resources for women.

The Web site is an outgrowth of Women Entrepreneurship in the 21st Century, a series of women’s summits to discuss the increasing role of women in the American economy and the concerns about roadblocks to growth, long-term viability and their financial health. Highlights of the Web site feature up-to-date information on key issues for women entrepreneurs, including:

- Access to Capital
- Healthcare for Small Businesses
- Technology
- Government Procurement and Contracting
- Retirement Security

Building on the success of earlier outreach to women entrepreneurs, the next Women Entrepreneurship in the 21st Century conference will take place April 3 at the Pennsylvania Conference Center in Philadelphia. Participants can register online at www.women-21.gov/index2.asp. Participants will hear presentations and take part in question-and-answer sessions with public officials, business leaders and financial experts.

Women-owned businesses are driving the American economy by producing more and more jobs for American workers. Their numbers continue to grow at twice the rate of all U.S. businesses. There are 9.1 million women-owned businesses. They account for 38 percent of all businesses, employ 217.5 million workers and generate \$3.6 billion in revenues.

SBA LAUNCHES ONLINE EMPLOYEE IDENTIFICATION NUMBER APPLICATION

Small businesses could save hundreds of millions of dollars by using a new Internet-based system that will allow them to register their business at the state level and apply for and receive their Federal Employer Identification Number at the same time. The new application can be found at <http://businesslaw.gov/template.cfm?catid=10044>, by clicking on *Integrated State Register & Federal EIN Application*.



The new service was developed by the SBA in partnership with the IRS through a contract with EzGov, a major e-government technology provider. The Internet-based process will save both time and close to \$200 million for the more than four million small businesses that apply annually in a manual process.

The SBA online application will streamline the state and federal application processes by automating the exchange of applicant data between states and the federal government. Because it is built with a Web services interface, any participating state can quickly and easily offer a seamless state registration and federal EIN tool that, in addition to saving time and money, reduces the burden to the business owner.

This integration, coupled with the interview style form, will prompt users to input the necessary information for both state and federal applications without the redundancy of completing separate forms. The states of Georgia and Illinois are the first partners participating with the SBA on this inter-governmental solution, with additional states expected to join soon.



**WISCONSIN
CALENDAR OF
EVENTS**

Only SBA sponsored events are endorsed by the Agency. Other events are merely provided as a resource.

SBA EXPANDS OPPORTUNITIES FOR SMALL BUSINESS THRU CREDIT UNIONS

On February 14, 2003, SBA expanded its lending program to allow greater access to capital for small businesses. As many as 1,500 of America's more than 10,000 credit unions are likely to join our network of lenders which represents a potential increase of some 30 percent in the overall number of storefronts where entrepreneurs can seek capital for their businesses.

SBA Administrator Hector V. Barreto said, "Building on our existing network of lenders, we can reach more communities, a greater number of entrepreneurs and a more diverse pool of prospective and existing small business men and women." My first priority is to reach as many small businesses as possible. Expanding the number of lending partners we participate with is a good way to accomplish that."

As part of President Bush's overall management agenda, agencies across the federal government have been tasked with finding ways to manage for results. Expanding SBA's business loan program to include credit unions will help transform the agency into a more responsive, customer-centric organization. The SBA is committed to serving small business men and women as an effective and efficient 21st century national organization; including credit unions will help SBA achieve that goal.

SBA INFORMATION ON NATIONAL GUARD & RESERVES CALL-UPS

Eligible small businesses that experience a negative economic impact because an owner or an essential employee was called to active duty can apply for a Military Reservist Economic Injury Disaster Loan. Small businesses may apply for the loan after Reserve or National Guard members receive their orders to active duty. Loans of up to \$1.5 million are available at an interest rate not to exceed 4 percent. The loan application can be downloaded from the Web site at www.sba.gov/disaster/mreidl.html.

For small businesses that already have loans from the SBA, the agency can provide for repayment deferrals, interest-rate reduction and other assistance. To request help, contact your SBA lender or your nearest SBA district office at www.sba.gov/regions/states.

Small businesses can also receive business development help, and business counseling and training to help them while owners, managers and employees are on active duty with the National Guard or Reserves. Such assistance can be obtained through SBA-backed Small Business Development Centers and through SCORE, the Service Corps of Retired Executives.

In addition to our federal agency information, please let me direct you to a website which contains information on help for spouses of military call-ups, which we are

doing in cooperation with the Department of Defense: www.onlinewbc.gov/militaryspouses.html.

In a time when both spouses in most families must work to make ends meet, military families face a special challenge. Because they must move often, and are seldom in one location for more than two or three years at a time, it is difficult for many military spouses to get good jobs, even harder to advance or build careers.

To help meet this growing need, the SBA and the Department of Defense funded a two-year pilot program to provide entrepreneurial training to military spouses that would help them develop portable businesses that could easily move with the families. Two pilot sites were run by entrepreneurial experts from the National Women’s Business Center in Washington, D.C., and the Women’s Enterprise Development Corporation in Long Beach, California.

The information in this site is the result of this unique and successful program. It includes frequently asked questions and success stories. What the FAQs and their answers cover are those things that make entrepreneurship unique for military spouses: military regulations and portability issues. The answers are, however, very general; sometimes rules can vary from service to service and base to base. Before taking any step that commits you to a business on or off base, it is important that you first secure

the approval of your spouse’s commanding officer.

Included in the FAQs are links to numerous other helpful web sites, including the SBA’s Online Women’s Business Center. The Online WBC provides a full business-training curriculum for every level of business, from start-up to going public. It also offers worldwide networking, chats, bulletin boards, resources and links, mentoring and even individual counseling. And it is available anywhere in the world that the Internet reaches, 24 hours a day, seven days a week, so, no matter where your spouse is stationed, you can continue your own entrepreneurial development.

The linked references included in the FAQs are subjective choices. There are hundreds, perhaps thousands, of relevant sites; we have chosen a few to get you started. As is true with any site providing links, you may occasionally find older information or a site that is no longer available, but be assured that we make every effort to keep these links current. You should also use your search engines to look for information on relevant topics—but pay careful attention to the date, origin and authority of any information the web offers you.

ADVOCACY SAVES SMALL BUSINESS \$21 BILLION

Savings A Result of Foregone Regulatory Compliance Costs in FY 2002

American small businesses enjoyed an additional \$21 billion to invest in jobs, equipment, or

access to health care from savings accomplished last year, due to the efforts of the Office of Advocacy of the U.S. Small Business Administration. That money would have gone to comply with overly burdensome federal regulations had not Advocacy worked with federal agencies to find effective and less burdensome regulatory alternatives.

“Many federal agencies have demonstrated a commitment to implementing the Regulatory Flexibility Act,” said Thomas M. Sullivan, Chief Counsel for Advocacy. “We work with them to consider the impact their proposed regulations have on small business. By choosing less burdensome alternatives they are able to meet regulatory goals without endangering job-creating small businesses,” he concluded.

The money small businesses keep is available for owners to invest in their businesses and communities. The FY 2002 savings could represent a purchase of over four million computer workstations or employment of close to 500,000 new workers.

Compliance cost savings include \$250 million through the IRS decision to allow certain small businesses to use the cash rather than accrual method of accounting.

The forgone compliance costs, as well as an overview of federal agency adherence to the law requiring consideration of regulatory alternatives, are

detailed in the **Annual Report of the Chief Counsel for Advocacy on Implementation of the Regulatory Flexibility Act, Fiscal Year 2002.**

The report was formally presented to Congress.

In the report Sullivan notes that by signing Executive Order 13272, President Bush has given small business a new tool that allows them a seat at the table when regulations are written. According to the report, due to EO 13272, "agency compliance with the RFA should improve."

The report was produced by the Office of Advocacy, which examines the role and status of small business in the economy and independently represents the view of small business to Congress and the President. For more information, visit the Office of Advocacy website at www.sba.gov/advo.

WOMEN'S HISTORY MONTH

National Women's History Month began as a single week and as a local event. In 1978, Sonoma County, California, sponsored a women's history week to promote the teaching of women's history—at that time a neglected subject in elementary and high school curriculums.

The week of March 8th was selected to include International Women's Day. In 1981, Congress passed a resolution making the week a national celebration, and in 1987

expanded it to the full month of March.

Two significant factors contributed to the emergence of women's history. The women's movement of the sixties caused women to question their invisibility in traditionally American history texts. The movement also raised the aspirations as well as the opportunities of women, and produced a growing number of female historians. Carroll Smith-Rosenberg, one of the early women's historians, has remarked that "without question, our first inspiration was political. Aroused by feminist charges of economic and political discrimination . . . we turned to our history to trace the origins of women's second-class status."

Women's history was also part of a larger movement that transformed the study of history in the United States. "History" had traditionally meant political history—a chronicle of the key political events and of the leaders, primarily men, who influenced them. But by the 1970s "the new social history" began replacing the older style. Emphasis shifted to a broader spectrum of American life, including such topics as the history of urban life, public health, ethnicity, the media, and poverty.

Since women rarely held leadership positions and until recently had only a marginal influence on politics, the new history, with its emphasis on the sociological and the ordinary, was an ideal vehicle for

presenting women's history. It has covered such subjects as the history of women's education, birth control, housework, marriage, sexuality, and child rearing. As the field has grown, women's historians realized that their definition of history needed to expand as well—it focused primarily on white middle-class experience and neglected the full racial and socio-economic spectrum of women.

CORRECTION

In February's 2003 of SBA News & Views under the corrections title there was an error in website address:

www.sba.gov/finacing/fr7aloan.html

should be

www.sba.gov/financing/sbaloan/7a.html

GOD BLESS AMERICA FROM THE EDITOR

In this perilous time as our Nation is on the brink of possible war with Iraq, let us remember the brave and patriotic men and women in our armed forces that are ready and willing to defend our freedom on foreign soils. Whether we agree or disagree on the question to go to war or not, we all need to pray for the safety of our military forces that are placing their lives in harms way should we go to war. And for their swift return home to America.



SBA LENDERS FOR FEBRUARY 2003

1	American National Bank-Fox Cities	Appleton	500,000
1	Associated Bank Minnesota NA	West St. Paul, MN	35,000
9	Associated Bank NA	Green Bay	1,086,800
2	Associated Bank NA	Neenah	120,000
11			1,206,800
1	Bank of Little Chute	Little Chute	270,000
3	Bank One NA	Chicago, IL	299,000
2	Baylake Bank	Sturgeon Bay	220,000
1	Bremer Bank NA	Amery	30,000
2	Capital One Federal Savings Bank	Falls Church, VA	85,000
1	CIT Small Business Lending Corp.	Morristown, NJ	460,000
1	Citizens State Bank	Cadott	150,000
2	Community Bank & Trust	Sheboygan	155,600
1	Community First National Bank	Salt Lake City, UT	231,700
1	Delafield State Bank	Delafield	481,529
1	Farmers Savings Bank	Mineral Point	96,000
1	First Banking Center	Burlington	12,000
1	First Business Bank of Madison	Madison	50,000
1	First Federal Savings Bank NA	Neenah	43,000
1	First National Bank of Berlin	Berlin	55,000
1	Hometown Bank	Saint Cloud	187,500
1	Illinois Small Business Growth Corp.	Springfield, IL	191,000
1	Intercity State Bank	Schofield	64,420
20	M&I Marshall & Ilsley Bank	Milwaukee	1,930,500
1	National Exchange Bank & Trust	Fond du Lac	350,000
1	Nicolet National Bank	Green Bay	500,000
2	Park Bank	La Crosse	230,000
1	Park Bank	Milwaukee	200,000
1	Premier Community Bank	Scandanavia	58,800
1	Royal Credit Union	Eau Claire	32,000
1	St. Francis Capital Corp.	Brookfield	115,000
1	State Bank of Cross Plains	Madison	40,340
1	Stephenson National Bank & Trust	Marinette	137,000
1	The Park Bank	Madison	432,969
2	US Bank NA	Cincinnati, OH	50,000
2	Waukesha State Bank	Waukesha	385,000
1	Wells Fargo Bank NA	San Jose, CA	65,000
1	Wells Fargo Bank Minnesota NA	Minneapolis, MN	59,000
2			124,000
5	Wisconsin Business Development Finance Corp.	Monona	2,748,000
1	Wisconsin Community Bank	Cottage Grove	260,000
MICROLOAN ACTIVITY - WOMEN'S BUSINESS INITIATIVE CORP - 1 Loan for \$30,000			



**18th Annual
Small Business Awards
Breakfast**

**Friday
May 16, 2003**

**Registration:
7:00 am – 7:30 am
Awards Breakfast
7:30 am – 9:00 am**

**Italian Community Center
631 East Chicago Street
Milwaukee, Wisconsin**

GUEST SPEAKER

**Ulice Payne, Jr.
President and CEO, Milwaukee Brewers Baseball Club**

For further information contact Mary Trimmier @ 414-297-1093



2003 LENDERS' CONFERENCE

APRIL 30th & MAY 1, 2003

Kalahari Resort Wisconsin Dells Wisconsin

FOR:

Bank Presidents, CEO's, Board & Chamber Directors, CPA's, Commercial Lenders, Tellers, Credit Analysts, Collection Managers

CONFERENCE FEE:

**\$265 Postmarked or faxed before April 18, 2003
\$295 After April 18, 2003
(Does not include golf fee)**

FEE INCLUDES:

Wednesday

**Kick Off Reception & Keynote Speaker
Barry Alvarez, Wisconsin Badgers Coach**

Thursday

**Breakfast Buffet, Refreshment Breaks, Lunch
Conference Material & CD Rom
Luncheon Speaker-Valerie Daniels Carter, Wisconsin's
Leading Woman Entrepreneur**

TO REGISTER CALL:

**1-800-898-9472 or 715-346-3838
Visit www.uwsp.edu/extension and
"Browse our Brochure" then 2003 Lenders Conf.**

Join us for the 2003 Lenders' Conference Golf Outing on Wednesday, April 30, 2003 at Trappers Turn Golf Course. Fee includes cart, lunch on the course, refreshments, eighteen holes of golf and prizes. Golf fee is \$75 per person. For golf information, call Jules Matsoff at 414-297-3934.