



NEWS & VIEWS

Eric Ness, District Director
 U.S. Small Business Administration-Wisconsin
<http://www.sba.gov/wi>
 Jan Wipijewski, Editor – (414) 297-1096

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.

FROM THE DISTRICT DIRECTOR

Wisconsin's SBA district office approved 20 percent more loans in FY 2002 than in FY 2001 and 14 percent more loans in FY 2001 than in FY 2000. These two years of double digit increases in loan volume is significant for Wisconsin's small business community.

2002 has been a difficult year for all small businesses in the aftermath of the September 11, 2001 terrorist attacks. The Supplemental Terrorist Activity Relief (STAR) program was created after the terrorist attacks and is designed for businesses adversely affected by the events of September 11, 2001. In FY 2002, Wisconsin approved 310 STAR loans.

I would like to express my thanks to all the lenders for their continued commitment and hard work in making small businesses in Wisconsin a success and look forward to working with all our lending partners in FY 2003. A listing of the number of loans done by lenders is at the end of this newsletter.

NEW SMALL BUSINESS AWARD FOR 2003

SMALL BUSINESS RESEARCH ADVOCATE

Individuals who have contributed to the promotion of small business through research may be nominated.

Evaluation criteria is:

- Research products, including publications, articles, or presentations on the value of small business.
- Development or implementation of curricula to study small business or entrepreneurship.
- Promotion of small business issues through research presented at national or international conferences.

Please contact Mary Trimmier at (414) 297-1093 or email her @ mary.trimmier@sba.gov by October 31, 2002 with the name of your candidate.

Mary will provide you with a nomination form.

NEW PREFERRED LENDER



L-R—Tim Schneider of Investors Community Bank and Eric Ness of SBA

On October 3, 2002, **Investors Community Bank** was welcomed into SBA's Preferred Lenders Program at a ceremony at the bank's Manitowoc location. Join us in congratulating our newest Preferred Lender.

FIRST MENTOR/PROTÉGÉ AGREEMENT IN WISCONSIN

The SBA's Mentor/Protégé Program encourages private-sector relationships and broadens the agency's efforts to address the developmental needs of clients in the 8(a) Business Development Program.

Mentors can provide technical and management assistance, financial assistance in the form of equity investments or loans, subcontract support and assistance in performing prime contracts through joint-venture arrangements with 8(a) businesses.

The program is offered under the SBA's 8(a) Business Development Program which provides an avenue for socially and economically disadvantaged Americans to achieve entrepreneurial success.

The first Wisconsin Mentor/Protégé Agreement is between **Belonger Corporation**, 8(a) participant (protégé) and **Kroeschell, Inc.** (mentor).

We congratulate Belonger Corporation and are confident they will achieve the goals set forth in their agreement with Kroeschell, Inc.

SBA LOWERS 7(a) LOAN MAXIMUM

As federal agencies across the government began operations on October 1, 2002 under a short-term continuing budget resolution, the U.S. Small Business Administration implemented a \$500,000 limit on most guaranteed loans—a step that will leave the vast majority of its small business credit customers unaffected.

“This is not a step we take lightly, but after weighing the facts, this is the best solution to the strict limits placed on our total loan authority by the continuing resolution,” said SBA Administrator Hector V. Barreto. “Fully 87 percent of 7(a) loans made to small businesses in 2002 are under \$500,000. The alternatives are frequent program shutdowns within days of the passage of each continuing resolution until our 2003 budget is passed.”

Event though 87 percent of the loans backed by SBA guarantees are under \$500,000, the remaining 13 percent of the program's borrowers consume 51 percent of the allocated loan dollars.

The agency will continue to make loans greater than \$500,000 under the

Supplemental Terrorist Activity Relief (STAR) program, which provides SBA-backed financing to small businesses adversely affected by the events of Sept. 11, 2001, and under the 504 program which provides financing packages for small businesses that seek to purchase or renovate fixed assets, including real estate, buildings and machinery and equipment. The maximum size for STAR loans is \$2 million. The maximum SBA share of a financing package under the 504 program is generally \$1 million.

Under the current continuing resolution—a short-term legislative device that allows federal agencies to continue operating until their final budgets are adopted—the agency is limited to less than \$16 million a day in 7(a) loan approvals, compared to a 2002 average of \$37.4 million per day. The average loan during the year was \$233,000.

Barreto said the agency will revisit the \$500,000 cap when its final FY 2003 budget is adopted.

FAST TRACK

Wisconsin has been awarded its second \$100,000 grant under the Federal and State Technology (FAST) Partnership Program. The grant will be used to increase the number of Small Business Innovation Research Program (SBIR) and Small Business Technology Transfer Program (STTR) grants awarded to Wisconsin small businesses. The grant is to the University of Wisconsin Extension Small Business Development Center and the Wisconsin Department of Commerce.

WISCONSIN SBA 2002 TIBBETTS AWARD WINNER

On October 2, 2002, **nPoint, Inc.** located in Madison, received the prestigious Tibbetts award during a ceremony in Washington, D.C.

nPoint, Inc. is one of seventy-one firms, organizations and individuals

affiliated with or participating in the U.S. Small Business Administration's Small Business Innovative Research (SBIR) program who received this award.

The awards are presented annually by the SBA to small businesses working in research and development to recognize them as “models of excellence” in high technology.

nPoint, Inc. focuses on devices that are able to provide positioning and motion with a precision of less than one nanometer, as well as unique probes for nanometer-level dimensional probing and critical metrology of structures in the size domain of micrometers or less. These nanopositioning products are a basic enabling technology for a range of research, manufacturing, and test applications in the semiconductor, data storage, biotechnology, and nanotechnology industries.

SBA District Director Eric Ness said, “We are extremely fortunate to have Max Legally, PhD (founder of nPoint, Inc.) and nPoint, Inc. located in Wisconsin and having a significant impact in the State's high-tech small business sector.”

SBA & STAPLES IN CO-SPONSORSHIP FOR ONLINE NEWSLETTER

Small business owners can now access the latest news and information on the U.S. Small Business Administration's loan programs and services directly through its new e-mail newsletter—*SBA Solutions*.

The inaugural edition of *SBA Solutions*, a free, interactive newsletter, made its debut in September. This new tool is specifically designed to provide information useful to potential and established entrepreneurs. The SBA's new direction of innovation,

simplification and dedication of all its programs and services yielded this online tool.

SBA Solutions is part of a cosponsorship between the SBA and Staples, Inc., to provide an informative training tool to the small business community. It features an easy-to-navigate format and comprehensive sections introducing small business owners to important issues related to their companies. The sections include *What's New @ SBA*, *SBA Loans*, *Disaster Assistance*, *SBA Classroom*, *FAQs*, and links to articles designed to help small businesses succeed.

The newsletter features:

- articles on various topics that are relevant to small business;
- success stories;
- an SBA program highlight, and
- a message from Administrator Barreto

For a free subscription to the *SBA Solutions* newsletter, go online at <http://web.sba.gov/list/>.

MILITARY RESERVISTS DISASTER LOAN APPLICATION AVAILABLE ON-LINE

Small businesses that employ military reservists who are called to active duty and are interested in applying for a Military Reservist Economic Injury Disaster Loan (MREIDL) may now download the application from the U.S. Small Business Administration's Web site.

The MREIDL program provides loans to eligible small businesses to cover operating expenses that would have been met, but cannot be met because an essential employee was called to active duty during a period of military conflict in his or her role as a military reservist.

To download the application, visit the Web site at www.sba.gov/disaster.

Small businesses may apply for MREIDLs of up to \$1.5 million if they have been financially affected by the loss of a key employee. These working capital loans may be used to pay fixed debts, payroll, accounts payable and other bills that cannot otherwise be paid. The interest rate on these loans is 4 percent, with a maximum term of 30 years. The SBA determines the amount of economic injury, the term of each loan and the payment amount based on the financial circumstances of each borrower.

The filing period begins the date the essential employee is ordered to active duty and ends 90 days after the date the employee is discharged from active duty.

Businesses interested in applying for an economic injury disaster loan can contact Atlanta, GA 30308, 1-800-359-2227 to obtain an application.

NEW SPANISH LANGUAGE WEB SITE FOR SMALL BUSINESSES

The U.S. Small Business Administration announced the launch of its new Spanish-language Web site. The site is aimed at reaching the growing Hispanic business community and the Spanish-speaking community at large with a business tool to help current and aspiring owners to start and grow their businesses successfully.

The site, www.sba.gov/espanol, responds to the needs of a segment of the U.S. population that, according to the Census 2000, has grown to become the largest ethnic minority in the country with more than 35 million people.

The site will initially have approximately 80 pages covering relevant issues such as writing a business plan, starting your own business, financing your business, technical assistance, accessing

government contracts, signage and information for women entrepreneurs. Also, the site will include its own search engine to make it easier for users to find information and will provide links to other government Spanish-language Web sites.

The SBA Spanish-language Web site is an ongoing project and will continue to add relevant business information as it becomes available.

SCORE NEWS

Service Corps of Retired Executives (SCORE) Milwaukee Chapter 28 counselors will now be available for evening and Saturday counseling.

When a SCORE desk counselor, during normal SCORE working hours, feels that a potential client cannot or does not want to come to the office for counseling, he/she will explore the possibility of the client being willing to keep an appointment in the evening or on Saturday. If this is a possibility, the potential client will be told that a counselor will be calling to arrange a time and place. The counseling location is at the discretion of the parties.

SBA applauds SCORE for its innovative ways to outreach to busy entrepreneurs.

ENHANCED EXPORT EXPRESS LOAN PROGRAM

New enhancements to the U.S. Small Business Administration's ExportExpress loan program will simplify export financing opportunities for small businesses and attract more lenders to participate in the program.

The recent changes to ExportExpress include the availability of the program through an additional 2,400 small and rural lenders, increased maximum loan amount from \$150,000 to \$250,000, and interest rate incentives that encourage lenders to make smaller loans more readily available to small businesses.

The program opens up to lenders that previously did not participate with SBA but that have experience in small business lending. ExportExpress offers a streamlined application process. SBA's guaranty for ExportExpress loans of \$150,000 or less is 85 percent while the guaranty on loans above that amount, up to \$250,000, is 75 percent.

The ExportExpress program is designed to finance a variety of needs of small business exporters, including:

- participating in a foreign trade show;
- translating product brochures or catalogues for use in overseas markets;
- opening general lines of credit for export purposes;
- service contracts from buyers located outside the United States;
- financing transaction-specific requirements associated with completing actual export orders; and
- purchasing real estate and equipment for the production of goods or services to be exported.

TAX NEWS

PAY TAXES IN A MATTER OF MINUTES

Did you know that you can now pay your federal taxes from the convenience of your home or office? All you need is a telephone or computer!

The Electronic Federal Tax Payment System (EFTIPS) is the easiest way to make federal tax payments. You can save time, receive immediate confirmation of all transactions and access up to 120 days of payment information on-line.

In addition, you may schedule a federal tax payment for up to 120 days in advance for businesses and up to 365 days in advance for individuals. EFTPS can be used to pay 1040ES quarterly payments, installments, and tax payments for corporate,

partnership, and all business and personal federal taxes.

Enrollment is easy and it's free! For more information about EFTPS, visit www.eftps.gov.

E-FILING TAX RETURNS

Business owners and tax practitioners can save time and money by electronically filing (e-filing) tax returns. E-filing also reduces processing time and helps avoid common errors. With e-filing, within just minutes of filing, the transmitter will receive a confirmation that the tax return has been filed and accepted by the Internal Revenue Service (IRS).

And there's even more good news! More business tax returns are now e-file friendly. Forms 940, 941, 1120, 1065, and Schedules C and SE, are just a few of the federal business tax forms that can be filed electronically.

By the year 2007, the IRS hopes to have 80% of all tax returns filed electronically. So next time you file, have peach of mind with e-file. For more information about e-file, visit www.irs.gov.

EDITOR'S NOTES

LENDER YEAR-END TOTALS

Once again this year, we will be adding the Lender Year-End totals only to the Newsletters going to the Lenders. If you wish to have a copy of the Lenders Year-End Totals, please contact Cindy Merrigan at (608) 441-5560 or email her at cindy.merrigan@sba.gov.

WEBSITE TO VISIT

You might want to visit the SBA Loan Asset Sales Program website at http://www.sba.gov/assets/lenders_cerner/index.html.

The Asset Sales Program is an initiative to sell SBA's "owned portfolio" of loans and other assets. These assets consist of Section 7(a) and 504 guaranteed loans purchased.

Section 7(a) and disaster assistance direct loans and other liquidation assets, such as collateral acquired as a result of liquidation.

The Asset Sales Program is a prudent portfolio tool to assist in managing the SBA's overall credit exposure. It allows SBA to take advantage of the efficiencies of the private sector, reduce the intense resource demands of loan and owned asset servicing, and allow existing resources to be deployed in mission-critical areas necessary to achieving the SBA's vision.

WISCONSIN CALENDAR OF EVENTS



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

See if you Qualify for a SBA Loan?



[Wisconsin SBA Start-up Information Online Kit.](#)



SBA LENDERS FOR SEPTEMBER 2002

AMCORE BANK NA ROCKFORD

Rockford, IL-1 Loan for \$140,000

AMERICAN NATIONAL BANK

Appleton – 3 Loans for \$1,119,000

ANCHOR BANK SSB

Appleton – 1 Loan for \$145,000

ASSOCIATED BANK NA

Green Bay – 35 Loans for \$5,114,400

BANK OF MONTICELLO

Monticello – 1 Loan for \$1,240,900

BEACON BANK

Duluth, MN – 1 Loan for \$150,000

BREMER BANK NA

Frederic – 1 Loan for \$103,500

BUSINESS LOAN CENTER INC.

Richmond, VA – 1 Loan for \$900,000

CALUMET COUNTY BANK

Brillion – 1 Loan for \$797,000

CAPITAL ONE FEDERAL SAVINGS BANK

Falls Church, VA – 4 Loans for \$160,000

CITIZENS STATE BANK

Clayton – 1 Loan for \$75,000

COMMUNITY BANK & TRUST

Sheboygan – 7 Loans for \$1,897,000

COMMUNITY BANK DELAVAN

Delavan – 1 Loan for \$23,000

COMMUNITY BANK OF CENTRAL WI

Marshfield – 1 Loan for \$256,000

COMMUNITY FIRST BANK

Stevens Point – 1 Loan for \$121,500

COMMUNITY FIRST CU

Appleton – 1 Loan for \$66,000

COMMUNITY STATE BANK

Union Grove – 2 Loans for \$200,000

F&M BANK WISCONSIN

Pulaski – 1 Loan for \$545,105

Kaukauna – 1 Loan for \$369,200

Total: 2 Loans for \$914,305

FIRST BANK FINANCIAL CENTRE

Oconomowoc – 1 Loan for \$250,000

FIRST BANKING CENTER

Lake Geneva – 1 Loan for \$20,000

FIRST BUSINESS BANK OF MADISON

Madison – 1 Loan for \$240,000

FIRST CITIZENS STATE BANK OF WHITEWATER

Whitewater – 1 Loan for \$150,000

FIRST NATIONAL BANK OF MANITOWOC

Green Bay – 1 Loan for \$34,600

FIRST NATIONAL BANK OF CHICAGO

Chicago, IL – 4 Loans for \$738,300

FIRST STATE BANK

New London – 2 Loans for \$576,000

FIRSTAR BANK NA

Cincinnati, OH – 1 Loan for \$69,000

FORTRESS BANK OF WEST SALEM

West Salem – 1 Loan for \$125,000

HIAWATHA NATIONAL BANK

Hager City – 2 Loans for \$106,608

HOMETOWN BANK

Saint Cloud – 1 Loan for \$427,000

INVESTORS COMMUNITY BANK

Manitowoc – 3 Loans for \$865,000

LEGACY BANK

Milwaukee – 1 Loan for \$150,000

M&I MARSHALL & ILSLEY BANK

Milwaukee – 21 Loans for \$3,173,000

MILWAUKEE ECONOMIC DEVELOPMENT CORP.

Milwaukee – 1 Loan for \$153,000

MONONA STATE BANK

Monona – 1 Loan for \$275,000

NEWCOURT SMALL BUSINESS LENDING CORP.

Morristown, NJ – 2 Loans for \$862,000

PARK BANK

La Crosse – 1 Loan for \$245,000

RIVER CITIES BANK

Wisconsin Rapids – 1 Loan for \$150,000

SIGNAL BANK NA

West St. Paul, MN – 2 Loans for \$1,347,500

SMALL BUSINESS LOAN SOURCE, INC.

Houston, TX – 1 Loan for \$874,500

ST. FRANCIS CAPITAL CORPORATION

Brookfield – 1 Loan for \$150,000

STATE BANK OF CHILTON

Chilton – 3 Loans for \$2,000,000

STATE BANK OF LA CROSSE

La Crosse – 2 Loans for \$120,000

THE PARK BANK

Madison – 1 Loan for \$50,000

THE STATE BANK OF VIROQUA

Viroqua – 1 Loan for \$133,000

TRI CITY NATIONAL BANK

Brookfield – 1 Loan for \$70,000

UNION BANK OF BLAIR

Blair – 2 Loans for \$210,000

WELLS FARGO BANK MINNESOTA NA

Minneapolis, MN – 4 Loans for \$810,000

WESTERN WISCONSIN DEVELOPMENT CORP.

Almena – 1 Loan for \$440,000

WISCONSIN BUSINESS DEVELOPMENT FINANCE CORP.

Monona – 13 Loans for \$7,224,000

WISCONSIN COMMUNITY BANK

Cottage Grove – 2 Loans for \$195,000

“1502 REPORTING HAS NEVER BEEN SO EASY”

From Colson-SBA's Fiscal & Transfer Agent-September 2002-Bulletin #32

In conjunction with the Small Business Administration, Colson Services Corp. created 10 Solutions for SBA Form 1502 Reporting to make the monthly 1502 reporting process easier. Since their introduction in December 1997, there has been a steady increase in the use of these solutions and a decrease in reporting errors. In an effort to assist SBA 7(a) lenders with their SBA Form 1502 reporting, Colson would like to reacquaint you with those SBA Form 1502 reporting solutions that simplify the monthly reporting process and provide the greatest benefit to the lender.

[] TEMPLATE TO PERFORM CALCULATIONS AND FILE (Solution Three)

Colson's 1502 Template – a free, electronic reporting instrument available in Excel and Lotus spreadsheet formats

Lenders with unsold loans can use Colson's 1502 template to effortlessly input loan data and guaranty percentages eliminating the time-consuming paper process and need for manual calculations. Once data is entered, the template will automatically compute guaranteed portions and necessary SBA program fees allowing the lender to easily remit data to Colson electronically, on a diskette or via e-mail.*

[] 1502 SUBMISSION THROUGH THE INTERNET (Solution Four)

1502 Connection – requires no installation, download or software purchase and allows for quick, flexible reporting

Through Colson's *1502 Connection*, lenders with sold and unsold loans can perform the entire 1502 reporting process over the Internet including entering and modifying loan data, verifying compliance with SBA requirements, and generating and submitting 1502 reports. Performing monthly reporting through Colson's *1502 Connection* eliminates the entire paperwork process and ensures data accuracy in a secure, reliable environment. To register, complete and return an enrollment form available on our website.

[] COMPREHENSIVE BORROWER AND LOAN ACCOUNT SERVICES (Solutions One & Two)

C.L.A.S.S. – seamless 1502 Reporting and loan servicing improving performance and efficiency

Colson's Loan Accounting Services Solution (C.L.A.S.S.) provides comprehensive 1502 Reporting and third-party loan servicing on behalf of lender clients. These services reduce lenders' administrative responsibilities associated with payment billing, processing, and reporting. A online loan portfolio facility—*LoanPOINT*—is also available to loan accounting clients that offer customers access to loan transaction details, portfolio information and a variety of portfolio reports. *For more information about Colson's Loan Accounting Services, please call John Dannevig at (212) 266-7870.*

C.L.A.S.S. Benefits:

- Accurate generation and timely submission of monthly 1502 reports to the FTA
- Reduction in the number of 1502 reporting errors and unreported loans
- Reduction in the number of monthly loan reconciliations for secondary market loans
- Compliance with 1502 reporting requirements
- Elimination of payment allocation performed by lender
- Efficient handling of monthly borrower billings, rate changes and re-amortization
- Accurate allocation of payments in accordance with interest rate changes

*Lenders with sold loans may also use the template for electronic remitting purposes, however, the template will not perform payment due calculations.

*You can find additional information and enrollment forms for the SBA Form 1502 Reporting 10 Solutions on our website at www.colsonservices.com under the tab **SBA Program Services\1502 Reporting**. If you have any questions about these solutions, please call Colson's Customer Service Department at (877) 245-6159, or e-mail us at info@colsonservices.com.*