SBA PROGRAMS AND SERVICES HANDOUT

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Banner Guide

General SBA Information

Financial Assistance

Federal Government Contracting Assistance

Business Counseling & Training

Disaster Assistance

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Programs & Services Overview

- Financial Assistance
- Federal Government Contracting Assistance
- Business Counseling & Training
- Advocacy
- Disaster Assistance
- And Targeted Assistance for:
  - Veterans
  - Exporters
  - Minorities
  - Women
  - Small Disadvantaged Businesses
  - Historically Underutilized Business Zones

General SBA Information

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Financial Assistance

- Loans
  - Primarily made by private lenders, with SBA guaranties
  - Guaranties generally up to 85% of loans to $150,000; 75% of loans above $150,000
  - Maximum guaranty is $1.5 million
  - No SBA grants to start a business
- Equity Investment
  - Provided by SBA-licensed small business investment companies
- Surety Bonds
  - Guaranties of bid, performance and payment bonds

Financial Assistance

www.sba.gov/financing/index.html

WI Finance Area

www.sba.gov/wi/financing.html

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The Basic 7(a) Loan Guaranty Program

- You apply for a loan guaranty with an SBA participating lender
- The lender submits an application for SBA review and approval
- After SBA approval, the lender disburses funds
- More information is available at: www.sba.gov/financing/sbaloan/7a.html

Financial Assistance: Basic 7(a) Programs

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

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Use of Proceeds

7(a) loans may be used to:

- Expand, renovate, or purchase Real Estate
- Buy machinery, equipment, furniture, fixtures
- Inventory, receivables, and working capital;
- Refinance existing debt (with compelling reason);
- Finance seasonal lines of credit; and/or
- Business Purchase

Financial Assistance: Basic 7(a) Programs

www.sba.gov/financing/subfiles/use_of_proceeds.html

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Eligibility Requirements

Businesses must:

- Be operated for profit
- Not exceed SBA size standards
- Speculative Ventures
- Gambling
- Lending or Investment
- Passive Investment Rental Real Estate
- Illegal activities, Monopolies, Pyramid Sales
- Business of a sexual nature
- Religious activities

Financial Assistance: Basic 7(a) Programs

www.sba.gov/financing/preparation/requirements.html

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Maximum Size Standards

Manufacturing
- 500-1,500 employees

Wholesaling
- 100 employees for financial assistance programs (500 employees for contracting assistance programs)

Services
- $4 million to $29 million in annual receipts, or

Retailing
- $6 million to $24.5 million in annual receipts

General and heavy construction
- $17 million to $28.5 million in annual receipts

Special trade construction
- $12 million in annual receipts

Agriculture
- From $750,000 to $10.5 million in annual receipts

Financial Assistance: Basic 7(a) Programs

www.sba.gov/size/indextableofsize.html

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Lender Requirements

Common documentation includes:

- Purpose of loan/Use of Proceeds
- Business history/Management Resumes
- 3 years and Current financial statements
- Schedule of debts
- Aging of accounts receivable and payable
- Projected opening-day balance sheet
- Lease Conditions
- Amount of owner investment in business
- Projections of income, expenses and cash flow
- Signed personal financial statements
- SBA application Forms Bank and Borrower
- List of Collateral
- Offer to Purchase
- Appraisals
- Credit Reports Business and Personal

Financial Assistance: Basic 7(a) Programs

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SBA Requirements

- Good character
- Management expertise and commitment to succeed
- Reasonable personal contribution or business equity
- Feasible business plan
- Sufficient collateral ability to repay loan from projected operating cash flow
- Eligible Business
- Eligible Use of Proceeds

Financial Assistance: Basic 7(a) Programs

Credit Factors

www.sba.gov/financing/preparation/qualify.html

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Terms

- Flexible maturities:
  - Up to 10 years for working capital
  - Up to 25 years for fixed assets:
    - Real estate
    - Construction
    - Equipment
  - Based on the use of Proceeds
  - Weight Average
- Interest rates:
  - Negotiated between borrower and lender
  - Typically cannot exceed prime rate plus 2.25%- 6%

Financial Assistance: Basic 7(a) Programs

www.sba.gov/financing/subfiles/7a_maturities.html

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SBA Fees

Up Front

1 year or less	CAPLines	0.25%
Over 1 year	Loan $150,000 or less	2.0%
Over 1 year	Loan $150,000+ and $700,000	3%
Over 1 year	Loan More than $700,000	3.5%
On going	.5%/ Year	

** Subject to change – check with your local SBA office*

Financial Assistance: Basic 7(a) Programs

www.sba.gov/financing/subfiles/sba_7a_fees.html

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Fee Example

On loans where the SBA's portion exceeds $80,000:

Total Loan Amount	x	Guaranty Rate	=	Maximum Guaranty Amount
$800,000	x	75%	=	$600,000

Fee Structure on $600,000 Guaranty:

$600,000	x	3.5%	=	$21,000

Total Guaranty Fee: = $21,000

Financial Assistance: Basic 7(a) Programs

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Collateral

- Personal guaranties from principals owning 20 percent or more
- Liens on personal assets may be required
- Loans are not declined for insufficient collateral

Financial Assistance: Basic 7(a) Programs

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CAP*Lines*

(Working Capital Program)

- For short-term and cyclical working capital
- SBA guaranty up to $1.5 million
- Advanced against inventory or revenue
- Maximum maturity of five years
- Five types include:
  - Seasonal Line
  - Contract Line
  - Builders Line
  - Standard Asset-Based Line
  - Small Asset-Based Line

Financial Assistance: Special 7(a) Programs

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CAIP

(Community Adjustment & Investment Program)

- Government partnership with the North American Development Bank
- Loans for businesses adversely affected by the North American Free Trade Agreement
- Must create or preserve at least one job per $70,000 of federally guaranteed funds
- Available in select geographical areas
  - Manitowoc and Racine County

Financial Assistance: Special 7(a) Programs

www.sba.gov/financing/loanprog/caip.html

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EWCL

(Export Working Capital Loan)

- Short-term financing for small exporters
- SBA guaranty — up to 90% of the loan or $1 million
- One-page application; turnaround — usually less than 10 days
- Maturity —
  - Matches a single transaction cycle, or
  - Supports a line of credit, generally 12 months
- Repaid from the proceeds of the export sales
- May be used for both —
  - Pre-shipment working capital
  - Post-shipment exposure

Financial Assistance: Special 7(a) Programs

www.sba.gov/financing/loanprog/ewcp.html

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ITL

(International Trade Loan)

- Long- and short-term financing —
- Guaranty amounts up to $1.5 million
- For businesses that are —
  - Engaged or preparing to engage in international trade
  - Adversely affected by import competition
- May be used for —
  - Working capital and/or
  - To purchase facilities or equipment that will be used within the U.S. for producing goods or services

Financial Assistance: Special 7(a) Programs

www.sba.gov/financing/loanprog/tradeloans.html

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Energy & Conservation Loan

- For companies that engineer, build, distribute, market, install or service energy conservation devices
- SBA maximum loan amount of $1 million
- Up to 85% guaranty on loans to $150,000; 75% on loans between $150,000 and $2 million

Pollution Control Loan

- For businesses that design, build, install or service pollution control devices
- Guaranty of up to $1 million

Financial Assistance: Special 7(a) Programs

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SBA Applications & Approvals

- Prepare a business plan
  - With help of SCORE or SBDC
- Visit an lender to discuss
- Lender will provide application forms
- Lender will review your application
- Lender submits a completed loan application to the SBA
- SBA or/and Lender analyzes entire application
- Approval process might take 1 - 14 days

Financial Assistance: Standard Applications & Approvals

Online Training www.sba.gov/training/

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SBA Certified Lenders Program

- Lender is experienced with SBA programs
- Lender receives partial loan approval authority
- Three-day SBA response

Financial Assistance: Streamlined SBA Applications & Approvals

WI CLP Lenders www.sba.gov/wi/wiclp.html

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SBA Preferred Lenders Program

- Selected, experienced SBA lenders
- Full authority for loan approvals
- One-day SBA response

Financial Assistance: Streamlined SBA Applications & Approvals

WI PLP Lenders www.sba.gov/wi/wiplp.html

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SBA*LowDoc*

(Low Documentation Loan Program)

- For loans up to $150,000
  - Up to 10 years for working capital; 25 years for fixed assets
- Up to 85% guaranty
- One-page SBA application
  - One page for the lender
  - One page each for each owner of 20% or more
- SBA response to lender within 36 hours

Financial Assistance: Streamlined SBA Applications & Approvals

www.sba.gov/financing/lendinvest/lowdoc.html

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SBA*Express*

- Uses lender's forms Mostly not the SBA's
  - Lender forms for lender to bow error transaction
  - SBA forms for lender to SBA transaction
- Loans , revolving lines of credit to $2,000,000
- SBA guaranty of 50%
- 36-hour response from the SBA

Financial Assistance: Streamlined SBA Applications & Approvals

www.sba.gov/financing/lendinvest/sbaexpress.html_

WI SBAExpress Lenders

www.sba.gov/wi/wisbaexpress.html

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Community*Express*

- For underrepresented minorities, veterans and women business owners
- Businesses located in low/moderate income urban and rural areas
- Maximum loan amount of $250,000
- 85% guarantee on loans to $150,000
- 75% Guarantee on loans $150,00+ - $250,000
- Technical training and support included

Financial Assistance: Streamlined SBA Applications & Approvals

www.sba.gov/financing/lendinvest/comexpress.html

WI CommunityExpress Lenders

www.sba.gov/wi/wicommunityexpress.html

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SBA Export*Express*

- Uses lenders approved for SBA*Express*
- Expedited review and approval process
- Maximum loan amount of $250,000
- Proceeds used for most export-related purposes

Financial Assistance: Streamlined SBA Applications & Approvals

www.sba.gov/financing/loanprog/exportexpress.html

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Loan Prequalification

- Loans of up to $250,000
- For veterans, minorities, women, exporters, rural business owners
- For selected industries and geographical areas
- Help in preparing a viable 7(a) loan application
- Focus on character, credit, reliability, not assets
- Help in finding a lender

Financial Assistance: Streamlined SBA Applications & Approvals

www.sba.gov/financing/sbaloan/prequalification.html

WI Prequal Lenders

www.sba.gov/wi/wiprequal.html

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7(m) MicroLoan

- Direct loans through nonprofit intermediaries
- Loans of up to $35,000
- Fast turnaround
- Up to six years to repay
- Used for —
  - Machinery, equipment, fixtures
  - Leasehold improvements
  - Inventory
  - Working capital
- Technical and management assistance available
- More information is available at: www.sba.gov/financing/sbaloan/microloans.html

Financial Assistance: Other Loan Programs/MicroLoans

www.sba.gov/financing/sbaloan/microloans.html

WI Microloan Lenders

www.sba.gov/wi/wimicro.html

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Loans for Fixed Assets

504 Certified Development Company Program

- Long-term, fixed-rate financing
- Generally up to $1 million in SBA-backed debentures
- SBA debenture guaranty of 40%
- Must create or retain one job for every $35,000 of SBA debenture proceeds
- DELTA funding also available under this program
- More information is available at: www.sba.gov/financing/sbaloan/cdc504.html

Financial Assistance: Other Loan Programs/Fixed Asset Loans

www.sba.gov/financing/sbaloan/cdc504.html

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To Qualify for a 504 Loan*

- Business must be operated for a profit
- Tangible net worth of less than $7.5 million
- Average net income of less than $2.5 million for the preceding two years

Financial Assistance: Other Loan Programs/Fixed Asset Loans

WI CDC Lenders

www.sba.gov/wi/wicdc.html

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A Typical 504 Project Includes —

- A private sector loan covering up to 50%
- A loan from the CDC covering up to 40% (100% SBA-guaranteed debenture) and
- At least 10% equity from the small business

Financial Assistance: Other Loan Programs/Fixed Asset Loans

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SBA Franchise Registry

- For franchisors and franchisees
- Free for franchisees
- Eliminates document review for franchisees in the SBA loan process
- More information is available at:
  - www.franchiseregistry.com

Financial Assistance: Other Assistance

www.franchiseregistry.com

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Loan Repayment - Should Problems Arise

- Monthly payments include principle and interest
- Business counseling and assistance is available
- The SBA will work closely with the borrower and lender

Financial Assistance: Should Problems Arise

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The Small Business Investment Company Program

- SBA-licensed private investment companies
- SBIC venture capital backed by SBA guaranties
- Long-term loans, up to 20 years
- Funding available for manufacturing and service industries
- More information is available at: www.sba.gov/INV

Financial Assistance: Equity Investment

www.sba.gov/INV

WI SBIC's: www.sba.gov/gopher/Local-Information/Small-Business-Investment-Companies/sbicwi.txt

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Specialized SBICs

- Follow the general SBIC guidelines
- SBICs make smaller investments, often as loans
- Targeted to businesses owned by socially and economically disadvantaged people

Financial Assistance: Equity Investment

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SBIC Program Success Stories

Fortune 500 Companies

- Apple
- Cray Research
- Federal Express
- Intel
- Staples
- Quantum
- Sports Authority
- Callaway Golf
- Pandick Press
- Rolm Corp.
- Teledyne
- Gymboree
- Oracle
- Sybase
- America Online
- Outback Steakhouse

Financial Assistance: Equity Investment

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New Markets Venture Capital Program

- Combines equity investment with technical assistance
- Targeted for rural and inner city areas
- Fosters new business and job creation
- More information is available at:
- www.sba.gov/INV/venture.html

Financial Assistance: Equity Investment

www.sba.gov/INV/venture.html

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The Surety Bond Guarantee Program

- Bid, performance and payment bonds
- For federal, state, local and private projects
- SBA guaranty of up to $2 million
- Generally all types of small businesses eligible
- More information is available at: www.sba.gov/osg

Financial Assistance: Surety Bonds

www.sba.gov/osg

WI Surety Agents

http://www.sba.gov/wi/wisurety.html

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Federal Government Contracting Assistance

- To create an environment for maximum participation by small, disadvantaged, and woman-owned businesses in federal government contract awards and large prime subcontract awards.
- More information is available at: www.sba.gov/GC

Natural Resources Sales

- Helps small businesses receive their share of federal property for sale or disposal
- Includes timber, royalty oil, coal and mineral leases, surplus property

Prime Contracting

- Promotes full, open competition
- Designed to increase small business' share of federal contracts
- SBA initiates set-asides, identifies small business sources and provides counseling

Federal Government Contracting Assistance

www.sba.gov/GC/

WI Business Development

www.sba.gov/wi/businessdev.html

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Subcontracting

- Promotes small businesses to larger contractors
- Provides counseling on marketing and opportunities

Certificate of Competency

- Provides appeal process for small businesses denied federal contracts

Women-Owned Business Procurement

- Teaches women to market their businesses to the federal government
- Conducts conferences at federal procurement sites
- More information available at:
  www.sba.gov/GC/indexprograms-cawbo.html

Federal Government Contracting Assistance

www.sba.gov/GC/indexprograms-cawbo.html

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PRO-*Net*®

(Procurement Marketing & Access Network)

- Features online information database of small businesses for contracting officers
- Markets small businesses to potential customers
- Provides links to federal agencies and procurement opportunities
- More information is available at: http://www.ccr.gov

Federal Government Contracting Assistance

www.ccr.gov

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SUB-*Net*

- An extension of PRO-*Net*®
- Features subcontracting opportunities from prime contractors, federal, state and local governments
- More information is available at: http://web.sba.gov/subnet/
  - (Click on "Subcontracting Opportunities")

Federal Government Contracting Assistance

http://web.sba.gov/subnet/

www.sba.gov/businessop/basics/subcontracting.html

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HUBZones

(Historically Underutilized Business Zone Program)

- Develops historically underutilized urban and rural areas
- Establishes federal award preferences for small businesses
- More information is available at: www.sba.gov/hubzone

Federal Government Contracting Assistance

www.sba.gov/hubzone

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Research & Development Assistance

- To strengthen and expand the competitiveness of U.S. small high technology research and development businesses in the federal marketplace.
- More information is available at: www.sba.gov/financing/capital/investment.html

Small Business Innovation Research

- Meets specific research and R&D needs of the federal government
- Promotes commercialization of results
- Awards federal grants competitively

Small Business Technology Transfer

- Awards federal grants competitively
- Mandates company collaboration with nonprofit research institution

Federal Government Contracting Assistance: R&D

www.sba.gov/financing/capital/investment.html

www.sba.gov/sbir/indexsbir-sttr.html

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Assistance for Small & Disadvantaged Businesses

Certification

- Offers price evaluation credits for competitive bidding on federal contracts
- More information is available at www.sba.gov/sdb/indexsdbapply.html
- Apply online at https://sba8a.symplicity.com/applicants/guide.

8(a) Business Development

- Offers federal contracting set-asides
- Business development support

7(j) Management & Technical Assistance

- Offers assistance to 8(a) businesses in accounting, marketing and bid preparation

Federal Government Contracting Assistance

www.sba.gov/sdb/indexsdbapply.html

https://sba8a.symplicity.com/applicants/guide

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Business Counseling & Training

Counselors to America's Small Businesses

- 11,500 SCORE volunteers nationwide in 389 chapters
- Business counseling and expertise
- Business-plan and loan-application assistance
- Online or in-person counseling
- More information is available at: www.score.org or WI SCORE at www.sba.gov/wi/wiscore.html

Business Counseling & Training

National SCORE www.score.org

WI SCORE www.sba.gov/wi/wiscore.html

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Small Business Development Centers

- Provide management and technical assistance
- Combine resources of SBA, local government, private sector and academia
- Typically located at colleges and universities
- Assist with loan applications
- More information is available at: www.sba.gov/sbdc/index.html or WI SBDC at www.sba.gov/wi/wisbdc.html

Business Counseling & Training

Nat'l SBDC's www.sba.gov/sbdc/index.html

WI SBDC's www.sba.gov/wi/wisbdc.html

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Veterans Business Outreach Program

- Provides business development help for veterans
  - Entrepreneurial training
  - Counseling
  - Management assistance

More information is available at: www.sba.gov/VETS

Business Counseling & Training: Assistance for Veterans

www.sba.gov/VETS

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Assistance for Exporters

U.S. Export Assistance Centers

- USEACs are a combined effort of —
  - U.S. Small Business Administration
  - U.S. Department of Commerce
  - Export-Import Bank of the United States
- The SBA's role:
  - Export Working Capital Loan prequalification
  - International Trade Loan and EWCL loan processing
  - Education and Training
- More information is available at: www.sba.gov/oit/

Business Counseling & Training: Assistance for Exporters

www.sba.gov/oit

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TradeNet's Export Advisor

- An Internet site offering government and industry contacts to small business exporters at www.tradenet.gov

ELAN

(Export Legal Assistance Network)

- Offers free, initial consultation with international trade attorney
- Cooperative effort of SBA, Department of Commerce and Federal Bar Association
- Contact local SBA field office to participate

Business Counseling & Training: Assistance for Exporters

www.tradenet.gov

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Assistance for Women

Women's Business Centers

- Provide training, counseling, mentoring
- Tailor programs to local community needs; includes assistance to economically and socially disadvantaged women
- More information is available at: www.sba.gov/financing/special/women.html
- **Online Women's Business Centers**
- Management, networking, market research information
- Interactive mentoring
- More information is available at: www.onlinewbc.gov

Business Counseling & Training: Assistance for Women

www.sba.gov/financing/special/women.html

WI Women's Business Centers -

www.sba.gov/wi/wiwbc.html

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Business Information Services

- Home Page www.sba.gov www.sba.gov/wi
- Phone: 1-800-U ASK SBA
- TDD: 704-344-6640
- Fax: 202-205-6190
- E-mail: answerdesk@sba.gov
- Website: www.sba.gov/answerdesk.html

General Information

Nat'l SBA Site www.sba.gov

WI SBA Site www.sba.gov/wi

SBA Answer Desk Site

www.sba.gov/answerdesk.html

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U.S. Business Advisor

- Provides a one-stop link for small business information and services by the federal government
- Features loan information, counseling, regulations and law guidance
- Furnishes tutorials and online classes
- More information is available at: www.business.gov

General Information

www.business.gov

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www.businesslaw.gov

- Provides legal and regulatory information
- You can also:
  - Apply for licenses or permits
  - E-file tax returns
  - Confer with other business owners

General Information

WI Business Law

www.businesslaw.gov/state-and-local-gateway/wisconsin/index.htm

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Advocacy for Small Business

Office of Advocacy

- Researches issues, develops policy and monitors effects
- Produces economic reports and interprets small business statistics
- Primary federal office disseminating small business data
- Oversees compliance with Regulatory Flexibility Act
- More information is available: at www.sba.gov/advo

General Information

www.sba.gov/advo

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Advocacy for Small Business

Small Business & Agricultural Regulatory Enforcement Ombudsman

- Provides means to register comments about regulatory enforcement actions
- Administers 10 Regulatory Fairness Boards
- Attempts to substantiate and report comments to Congress
- More information is available at: www.sba.gov/ombudsman

General Information

www.sba.gov/ombudsman

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Disaster Assistance

Loan Programs for Homes and Personal Property
www.sba.gov/wi/disaster.html

- Real property loans
  - For uninsured losses to $200,000
  - To restore homes to pre-disaster condition
- Personal property loans
  - For uninsured losses to $40,000
  - Do not cover antiques, luxuries

Disaster Assistance

WI Disaster Information

www.sba.gov/wi/disaster.html

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Loans for Businesses

Physical disaster business loans

- Available to qualified businesses of any size
- Cover uninsured losses up to $1.5 million
- Used to repair or replace business property

Pre-disaster mitigation loans

- Fund specific projects to prevent disaster damage
- FEMA designates specific areas
- Loan of up to $50,000 available

Disaster Assistance

National Disaster Information

www.sba.gov/disaster_recov/index.html

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Economic Injury Disaster Loans

- Cover economic injury losses up to $1.5 million
- Limit may be waived for major source of employment (employs 250 or more in affected areas)

Military Reservist Economic Injury Disaster Loans

- For economic injury due to loss of key employee called up as military reservist
- Sustain small business until employee is released from active military duty
- Loans of up to $1.5 million
- More information about the SBA's disaster loans programs is available at: www.sba.gov/disaster_recov/index.html

Disaster Assistance