

THE VOICE

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Hot off the Press

The Small Business Jobs Act of 2010 has a number of tax provisions that take effect this year and during the next several years. **Section 2022** calls for additional first-year depreciation of certain qualified property. **Section 2031** allows an increase in deductions for start-up expenditures in 2010.

Section 2012 will allow general business credits for eligible firms for 2010 to be carried back five years.

The Jobs Act became law on Sept. 27, 2010.

For details on all of the Act's tax provisions, go to www.irs.gov and click on the Small Business Jobs Act link posted on the front page of the IRS web site.

Helping small businesses **start, grow** and **succeed**.



Your Small Business Resource

SBA Announces New “Advantage” Initiatives To Increase Lending in Underserved Areas

With small businesses and entrepreneurs in traditionally underserved communities continuing to face challenges accessing capital, the U.S. Small Business Administration has announced two new initiatives – **Small Loan Advantage** and **Community Advantage** – aimed at increasing SBA-backed loans to these markets.

Recent federal studies have shown the importance of lower-dollar loans to small business formation and growth in underserved communities. With that in mind, the two new loan initiatives are aimed at increasing the number of lower-dollar SBA 7(a) loans going to small businesses and entrepreneurs in underserved communities.

The agency's most widely used loan product, 7(a) government-guaranteed loans, can be used for a



SBA District Director Denison

variety of general business purposes, including working capital and purchases of equipment and real estate.

In conjunction with the implementation of these two new Advantage loan initiatives by March 15, the agency will end its existing Community Express pilot loan program on April 30.

“Over the last two years, we've seen lending to all small businesses tighten up, and that tightening has been even greater in traditionally

underserved areas, including minorities, women and rural areas of the state,” said District Director Terri Denison. “These new Advantage programs are aimed at getting more loans into these markets so small business owners have the capital they need to start or grow their business and create jobs for Georgia.”

Both Small Loan Advantage and Community Advantage will offer a streamlined process for SBA-guaranteed 7(a) loans up to \$250,000. The loans will come with a regular 7(a) government guarantee, 85 percent for loans up to \$150,000 and 75 percent for those greater than \$150,000.

Small Loan Advantage will be available to the 630 banks and other financial institutions in the SBA's Preferred Lender Program (PLP). Under PLP, the SBA delegates the final credit decision to lenders. (See Page 6)

SBA UNVEILS ITS NEW, REDESIGNED WEBSITE

The SBA has launched a redesigned website at www.sba.gov that features “SBA Direct,” a new web tool that helps small businesses find information they need almost instantly.

SBA Direct also provides information on the available SBA programs that

can help businesses succeed. These materials cover financial assistance, exporting, government contracting opportunities, counseling and a local workshop calendar.

The website's business search feature offers improved accuracy and rele-

vancy of search results-saving time and frustration.

The site also offers interactive location-based maps that allow users to quickly find small business resources including local SBA offices. Improved navigation gives users one-click access to data they need.

PROGRAM NEWS

Patriot Express Loan Initiative Renewed for Three Years

- Nearly 7,000 Vets Have Used Popular SBA Program -

A loan program designed for veterans and others in the military community has been renewed for three more years by the U.S. Small Business Administration. Patriot Express loans have provided more than \$550 million in loan guarantees to nearly 7,000 veterans to start or expand their small businesses.

Patriot Express loans are offered by SBA's network of participating lenders nationwide and feature one of the agency's fastest turnaround times for loan approvals. The loans, for up to \$500,000, offer an enhanced guaranty and interest rate on loans to small businesses owned by veterans, reservists or their spouses.

Over the past two years, due in part to the American Recovery and Reinvestment Act, Patriot Express loan volume increased dramatically nationwide. In Georgia, the SBA approved 106 guaranteed loans, at \$30.3 million, to veterans during the past fiscal year. In FY 2009, 94 loans were approved for Georgia veterans, valued at \$27.5 million.

"America's veterans have the leadership skills and experience to become successful entrepreneurs and small business owners," said SBA Administrator Karen Mills. "The impact of this program over the last three-and-a-half years has meant thousands of veterans and their families have had the resources to pursue their dreams as entrepreneurs, and at the same time create jobs and drive economic growth at a critical time for our country."

Patriot Express was launched June 28, 2007, to expand upon the more than \$1 billion in loans SBA guarantees annually for veteran-owned businesses across all its loan programs. SBA also offers counseling assistance and procurement support each year to more than 200,000 veterans, service-disabled veterans, reservists and members of the National Guard and their spouses.

Patriot Express loans can be used for most business purposes, including start-up, expansion, equipment purchases, working capital, inventory or business-occupied real-estate. The SBA Georgia District Office can provide a list of Patriot Express lenders in the state. Further details on the initiative can be found at www.sba.gov/patriotexpress.

Small Employers Can Claim New Health Care Tax Credits

-IRS/SBA Release Guidelines for the Credits for 2010 Tax Year-



The Internal Revenue Service has released a one-page form and instructions small employers can use to claim the new small business health care tax credits for the 2010 tax year. New form 9841, Credit for Small Employer Health Insurance Premiums, and newly revised Form 990-T are now available on www.irs.gov. The IRS also posted on its website the instructions to Form 8941 and Notice 2010-82, both of which can help small employers correctly figure and claim the credits.

"The most immediate benefit of the new law is a tax credit that will help America's smallest employers and nonprofit organizations (less than 25 full-time equivalent employees with average annual wages below \$50,000) who have been hit hardest by premium increases in recent years," said SBA Administrator Karen Mills. "I'm pleased that the Administration is releasing a one-page form and instructions on how to claim this credit for the 2010 tax year." Mills noted that the new guidance answers questions that may relate to an employer's current contribution arrangements, eligibility for certain religious institutions, and participation by multiemployer health and welfare plans. "In each case, the Administration has worked to ensure that a broad range of small businesses can qualify," she added.

Adm. Karen Mills Mills said the tax credits are available for tax years 2010 through 2013 and for any two years after that. Through 2013, the maximum tax credit is 35 percent of premiums paid by small employers and 25 percent for eligible tax-exempt organizations. Beginning in 2014, those levels increase to 50 percent and 35 percent, respectively. "Importantly, these credits are just one of many benefits in the Affordable Care Act," continued Mills. "Most notably, in 2014, firms with up to 100 workers will be able to pool their buying power and reduce their administrative costs by purchasing coverage through a health insurance exchange."

The small business health care tax credit is designed to encourage both small businesses and small tax-exempt organizations to offer health insurance coverage to their employees for the first time or maintain coverage they already have.

Eligible small businesses will first use Form 8941 to figure their credits and then include the amount of the credit as part of the general business credit on their income tax return. Tax-exempt organizations will first use Form 8941 to figure their refundable credit, and then claim the credit on Line 44f of Form 990-T.

For more information about the new tax credits, go to the Affordable Care Act page on www.irs.gov.

LENDING UPDATE

Top Georgia SBA Lenders for Fiscal Year FY 2010

Lender Ranking –7(a) Loan Program

(Number of Loans)			(Total Dollar Amount)		
SunTrust Bank	112 Loans	(1)	Metro City Bank	\$40.1 million	1)
Superior Financial Group	106 Loans	(2)	First Intercontinental Bank	\$25.3 million	(2)
Branch Banking & Trust Co.	85 Loans	(3)	First Financial Bank	\$24.1 million	(3)
Borrego Springs Bank, N.A.	76 Loans	(4)	Fidelity Bank	\$20.4 million	(4)
Metro City Bank	70 Loans	(5)	Colony Bank	\$19.4 million	(5)
First Financial Bank	54 Loans	(6)	SunTrust Bank	\$18.9 million	(6)
First Intercontinental Bank	54 Loans	(6)	Branch Banking & Trust Co.	\$18.4 million	(7)
Wells Fargo Bank	51 Loans	(7)	Wells Fargo Bank	\$17.1 million	(8)
JP Morgan Chase Bank	36 Loans	(8)	One Georgia Bank	\$16.8 million	(9)
Fidelity Bank	32 Loans	(9)	Live Oak Banking Co.	\$12.1 million	(10)

Lender Ranking-504 Loan Program

Florida Business Devel Corp.	59 Loans	(1)	Florida Bus. Devel Corp.	\$32.7 million	(1)
Georgia Mountains Reg. EDC	43 Loans	(2)	Georgia Resource Capital Inc.	\$27.5 million	(2)
Georgia Resource Capital Inc.	43 Loans	(2)	CSRA Local Development Corp.	\$21.8 million	(3)
CSRA Local Development Corp.	39 Loans	(3)	Georgia Mountains Reg. EDO	\$17.8 million	(4)
Coastal Area District Authority	24 Loan	(4)	Capital Partners CD Company	\$14.4 million	(5)
Capital Partners CD Company	22 Loans	(5)	Coastal Area District Authority	\$9.0 million	(6)
Georgia Small Bus. Lender Inc.	10 Loans	(6)	Small Business Assistance Corp.	\$3.4 million	(7)
Small Business Assistance Corp.	7 Loans	(7)	Georgia Small Bus. Lender Inc.	\$3.2 million	(8)
South Georgia Area Devel Corp.	6 Loans	(8)	Georgia Certified Devel Corp.	\$3.0 million	(9)
North Georgia Cert. Devel Corp.	5 Loans	(9)	South Georgia Area Devel Corp.	\$2.3 million	(10)

New Online Technology Tool for Small Business

A new technology tool for small businesses, "Business Technology Simplified," helps small business owners connect the dots between entrepreneurship and technology to give them a competitive edge.

The U.S. Small Business Administration and Microsoft teamed up to develop this free, comprehensive online course on how technology can improve the small business owner's chances for success.

This online course offers practical material on simplifying tasks, do it yourself marketing, cloud computing, and time management.

It explores basic subjects such as selecting a web browser, using a basic PC, upgrading accounting practices, building a website, selecting software and storing data.

The course features an audio guided lesson indexed by modules that include information on how to use technology to save time and tips on expanding a firm's customer base.

To access the course, go to www.sba.gov/training, then click on Business Technology Simplified under "Featured Tasks."

The course is one of nearly 30 online tutorials offered by SBA, and are available 24/7.

Kyle Hensel is Named SBDC Consultant of the Year

Kyle Hensel, area director of the Clayton State University Small Business Development Center, was named "Consultant of the Year" by the state operated agency.



Hensel

Hensel joined the SBDC in 2006 as a consultant in the Georgia Southern Office. He received both his BA degree in Marketing and his MBA degree from Georgia Southern University.

The annual award was presented in Athens where the SBDC is based.

SBA SUCCESS STORY

Recovery Center Uses 504 Loan

MBA Waste Services LLC started work in early November on its new Materials Recovery Facility (MRF) at a site off Roosevelt Highway in Union City, Georgia. The facility, on an eight acre tract, will include a 41,000 square-foot industrial building, a sorting system to separate materials that are being recycled as well as a "reduction grinder" to prepare materials for other end uses.

The MRF complex, set to go operational in mid 2011, will be the first permitted recovery facility for construction materials within 250 miles of Atlanta, according to Ken Mitchell, President/CEO of MBA Waste Services. "We will be able to recycle concrete, wood, metal, paper and plastic as well as carpet at the facility," he added.

Ken, and his wife Carol, company secretary, were able to use a \$2.1 million SBA 504 Development Loan to finance their new recycling facility in south Fulton County. The Mitchells were able to save over \$19,000 in fees which were waived under provisions of the Small Business Jobs Act which became law on September 27, 2010.

The 504 Loan will help create 25 new jobs over the next 12 months. It is a combination of \$1.1 million in funds from the Bank of North Georgia and another \$949,000 provided by the Economic Development Corporation, a SBA Certified Development Company (CDC) in Gainesville. About 10 percent of the 504 package came from the borrower. The funds from the CDC are generated from SBA guaranteed debentures sold on the open market.

A major reduction in dumping fees is another upside to the Mitchells' new recycling facility. "We expect to save over \$30,000 a month by not having to pay to dump waste materials in city landfills as well as the recovery income we will generate from our recycled materials," said Ken.



ACE Gets Wells Fargo NEXT AWARD

Access to Capital for Entrepreneurs (ACE) an SBA microlender serving 33 counties in North Georgia, has received a Wells Fargo Bank NEXT award for innovation among its peers. Grace Fricks, ACE President, center, accepted the award at a conference last fall in San Francisco. The award was generated by ACE's Georgia Green Loans, which help fund businesses that provide eco-friendly products & services. At left is Debra Schwartz of the MacArthur Foundation which helps fund the NEXT awards program. At right is Jon Campbell, senior VP of Wells Fargo in its social responsibility group.

SBA Small Business Loans Surge in Georgia in Last Quarter

The SBA Georgia District posted very strong gains in the number and dollar totals of loans made during first quarter FY 2011 under its small business lending programs.

During first quarter, which ended last December, 31, the number of loans reached 681, compared to 449 SBA-backed loans in Georgia in first quarter 2009, an increase of nearly 52 percent.

The total amount of the loans went from \$220 million in first quarter 2010 to \$533 million in first quarter 2011, a jump of 142 percent.

Nationally, the agency has approved more than \$10.3 billion in loan guarantees since President Obama signed the Small Business Jobs Act of 2010 on September 27. The loan guarantees supported more than \$12 billion in loans and were backed by \$505 million in subsidy provided by the Jobs Act. The Jobs Act also included an extension of reduced fees and higher guarantees to the lender to encourage new financing for the nation's small business sector.

"The loan enhancements of higher guarantees and reduced fees first implemented as part of the Recovery Act have been a vital

resource for tens of thousands of small businesses at a critical time when lending markets had dried up," said SBA Administrator Karen Mills. "Beginning in February 2009, these loan enhancements engineered a major turnaround in SBA lending, including record-high levels of SBA lending in recent weeks."

In Georgia, about two-thirds of SBA borrowers in this year's first quarter were existing businesses that operated in a diverse group of industries including

professional services, construction and agribusiness.

The SBA loans made in first quarter carried a 90 percent guarantee and no borrowing fees, instead of 2 to 3.5 percent fees normally charged on the loan amount.

The Small Business Jobs Act contained an array of provisions aimed at helping small businesses gain access to capital, compete for federal contracting opportunities, expand exporting and other assistance. For details on the act, go to www.sba.gov/jobsact.

SBA SUCCESS STORY 2

FurnitureBuzz Uses SBA 7(a) Loan to Expand Online

In late 2009, Robert and Amy Shippy needed a sizeable loan for working capital and to refinance an existing line of credit for their growing web-based furniture business.

The young entrepreneurs had no past experience with SBA guaranteed loans for small businesses, but they were introduced to the program by Jamie A. Chisolm, Regional Vice President of The Heritage Bank. "The economy had started to weaken when we started talking to Jamie about a loan," said Robert. "Fortunately, he was able to put an SBA 7(a) loan together that gave us what we needed."

A major portion of the \$1.2 million 7(a) Loan from Heritage Bank was used to refinance a line of credit with the remainder going for working capital. The loan, funded in August 2009, was subject to the American Recovery and Reinvestment Act, thereby saving the couple nearly \$40,000 in fees and related costs.

Robert and Amy had started RTA Furniture Superstore Inc., in 1997 as a traditional brick & mortar store in Savannah. About a year later, the couple began developing an internet store brand called FurnitureBuzz.com.

"After just the first year on the web, internet sales were already exceeding that of our traditional retail store," recalled Robert. "Then over the next 10 years, our e-commerce business saw exponential growth until annual sales revenue reached over \$10 million." About eight years ago, the couple bought a 23,000 square foot building to serve as corporate headquarters. The building, located at 5 Mall Terrace in Savannah, has warehouse and showroom space, and space to support their fast paced e-commerce business.

FurnitureBuzz sells both home and office furniture. The web site now offers over a thousand furniture items to online buyers. To expand sales, the company recently added to its offerings, two more national furniture brands.

Robert is a native of Savannah and gained his retail experience with Circuit City. Amy, is a native of Hilton Head Island, S.C. She attended the Savannah College of Art & Design and worked in the engineering department at Gulfstream Aerospace in Savannah before joining her husband in their business venture.



Amy and Robert Shippy

SBA To Hold Federal Contracting Forums

The SBA is sponsoring a series of federal government Small Business forums with the first one set for February 24th at the agency's Georgia District Office, 233 Peachtree St. N.E., Atlanta, GA 30303. The **first forum** runs from 10 a.m. to 3 p.m. and will provide an overview of major certifications with details on the agency's 8(a) Development Program and the new Women Owned Small Business Federal Contract Program known as 8(m).

The **second forum**, on March 10, covers GSA Schedule contracts used by small businesses to sell products and services in the federal marketplace. This forum runs from 10 a.m. to 1 p.m. at the Summit Building, 401 W. Peachtree St., Room 504, Atlanta, Ga. 30308.

The **third forum** will be held on March 24 at the SBA District Office on Peachtree Street and will cover marketing to the federal government with the 8(a) Business Develop-

ment Program. Part of this forum will feature using team and joint venture agreements in a marketing plan. This forum also runs from 10 a.m. to 1 p.m. at the SBA District Office.

The series is being held in partnership with the U.S. General Services Administration (GSA) and the Georgia State University Small Business Development Center (SBDC).

Each of the forums is free but because of limited seating, pre-registration is required. The series is intended to provide basic contracting/marketing information by subject matter experts.

Online registration is available at www.sba.gov/ga. Cursor down to Resources in Your Area: Workshops and Seminars. Select seminar date from this drop down list. Complete the information and click "Register." For more information, call Dorothy Fletcher at 404/331-0100, ext. 305.

MORE GEORGIA NEWS

NEW ATLANTA E200 CLASS STARTS IN MID APRIL

The SBA District Office is taking applications for its fourth management training class of small businesses under its Emerging 200 (e200) initiative.

The executive-level training program was expanded last year from the inner-city to all areas of Atlanta. Nationally, the initiative is also being expanded to eight new cities and communities in 2011 as well as other communities with an emphasis on Native American business owners.

“The basic goal of the initiative is to help promising urban firms step up to the next level,” said Terri Denison, SBA Georgia District Director.

The small business owners and other company executives who take part in the program produce a three-year strategic plan with performance targets.

The eight-month program is provided by SBA at no cost to the par-



Janis L. Ware, center, accepts her e200 certificate from District Director Denison. Penny Pickett, SBA Assistant Administrator for Entrepreneurial Development, at left, was the keynote speaker for the 2010 graduation event.

participants. It calls for them to develop their business strategies to accelerate growth, explore financing and diversify their markets.

The Atlanta firms that took part in the 2010 class were Axiom Corp; Dream Room Designs; Eagle Solution Providers;

Global Technology Connections Inc.; Innovative Technology Data Storage Inc.; ISPA Inc.; LB Group; MLCameron & Associates CPA, PC; SIP The Experience; The Atlanta Voice Newspaper; The 1 Joshua Group, LLC; Unit One, LLC; World Scapes LGP, LLC; and S.R. Solutions International, Inc.

The e200 program was a collaboration of the Georgia District Office, the Atlanta Development Authority, Atlanta Workforce Development Agency, and the Atlanta Chapter of SCORE-Counselors to America's Small Business.

To date, more than half of the businesses that participate in e200 nationally have seen an increase in revenue, and nearly two-thirds have created new jobs. The new e200 training class in Atlanta is scheduled to begin on April 18.

Companies selected for the program should have been in business for a minimum of three years; have annual sales of at least \$400,000; and be located within the city limits of Atlanta. To enroll in the new class, contact Dorothy Fletcher at 404/331-0100, ext. 305.

SBA ADVANTAGE LOANS TO START BY MARCH 15

(Continued from Page One)

With Community Advantage, the agency will expand the points of access small business owners have for getting loans by opening SBA's 7(a) loan program to "mission-focused" financial institutions, including Community Development Financial Institutions, Certified Development Companies and non-profit micro lenders.

Community Advantage will leverage the experience these institutions already have in lending to minority, women-owned and start-up companies in economically challenged markets, along with their management and technical expertise, to help make their borrowers

successful.

The two loan initiatives also tackle a couple of factors that are challenges to small business owners. First, the agency is providing a streamlined process for lenders to use along with the regular 7(a) government guarantee. Second, the SBA is taking steps to increase the number of places small business owners in underserved markets can go to get loans.

With Community Advantage, the agency is making sure that additional help will be available for some borrowers who may need counseling and technical assistance.

The new loan initiatives are in line with the agency's core mission of supporting small business growth and job creation, and goals of the new Advisory Council on Underserved Communities which was announced by the agency last month.

The Council will provide advice and recommendations to Administrator Karen Mills on how SBA through its programs can help strengthen competitiveness and sustainability for small businesses in underserved communities.

The agency's new Advisory Council on Underserved Communities will consist of 20 members from across the country.