



U.S. Small Business Administration

New Mexico District Newsletter

Information for the Small Business Community
December 2010

SBA – Your Small Business Resource

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SBA Home Page: www.sba.gov

SBA Recovery Page: www.sba.gov/recovery

Recovery Act Website: www.recovery.gov

SBA Implements Higher Maximum Loan Sizes Made Possible by Small Business Jobs Act

On the heels of completing final approvals of loans to nearly 2,000 firms that has been in its loan queue waiting for final approval of the Small Business Jobs Act, the U.S. Small Business Administration has finished implementation of another major element of the bill: increasing maximum sizes in several of its loan programs.

The changes – effective October 8, 2010 – are permanent for general small business loans under SBA’s 7(a) guaranteed loan program, fixed asset loans through the 504 Certified Development Company program, Microloans, and International Trade, Export Working Capital and Export Express loans. A temporary increase for SBA Express loans is good for one year.

“Across the country, there are small businesses owners who are in a position to take that next step to grow and create jobs, and these larger loan sizes provide another tool to help them do just that,” SBA Administrator Karen Mills said. “Whether they’re in the start-up phase and could use a microloan or are looking to take advantage of lower real estate prices and interest rates to buy a new building to expand, SBA loans can now be an even greater resource to help entrepreneurs and small business owners get the capital they need.

“Additionally, temporarily increasing the cap on SBA Express loans from \$350,000 to \$1 million will allow more small businesses to take advantage of the streamlined approval process for working lines of credit and other capital they need,” Mills said.

Under the Jobs Act provisions, SBA has permanently increased 7(a) and 504 limits from \$2 million to \$5 million, and for manufacturers and certain energy-related projects seeking 504 loans, to \$5.5 million. The maximum for International Trade and Export Working Capital loans also has been increased from \$2 million to \$5 million.

SBA also permanently increased microloan limits from \$35,000 to \$50,000, helping larger entrepreneurs with start-up costs and small business owners in underserved communities. It also raised the limit on Export Express loans, from \$250,000 to \$500,000, and made the program permanent.

The bill provided the agency with enough funding to support an estimated \$14 billion in lending to small businesses with the extension of higher guarantees and reduced fees in the top two loan programs, first implemented as part of the American Recovery and Reinvestment Act of 2009.

The Jobs Act also includes additional resources to help increase lending to small businesses, including the State Small Business Credit Initiative announced today by the Department of Treasury that will support \$15 billion in lending through local programs and the Small Business Lending Fund, which will provide capital to local, community banks to increase their lending to small businesses.

Additionally, the new law contains \$12 billion in tax credits targeted to small businesses, including higher deductions for investing in new machines and equipment, zero capital gains for those who buy and hold small business stocks for five years, and a doubling of the maximum deduction for startups to \$10,000. It also allows self-employed Americans to completely deduct health insurance costs for themselves and their families.

From the Directors' Desk . . .

Another Federal Fiscal Year drew to a close on 30 September and what a year it was! After two down years we saw a substantial uptick in SBA lending activity in New Mexico to a total capital provided by SBA and its partners in New Mexico of \$157 million. New Mexico small businesses and lenders made good use of the SBA provisions of the American Recovery and Reinvestment Act, with a 140% increase in activity in the state that was 50% above the entire nation and more than double the increase for the rest of Region VI.

Now we are on to the Small Business Jobs Act, which extends some of the ARRA components and provides some very substantial additional SBA authority that should continue to make a big difference in the future. SBJA does provide for an extension of two of the key features of ARRA, the fee waivers and 90% guarantees, through the end of the calendar year. What is permanent and in my mind very important is that the size limitations for SBA loans increase to \$5,000,000 and more in some cases. Since there is a leverage component to the 504 Loan, this increase will allow SBA to support projects up to around \$13 million, which means we will be able to provide financing for deals that in the past were too large for the prior limitations. There are a number of other provisions like alternative size standards and 504 refinancing for commercial real estate loans. You can find information about all this and more at <http://www.sba.gov/jobfact/>.

As FY 2010 ended and 2011 began we lost two important people for the New Mexico Small Business Community. Ed Cadena, Deputy District Director, received a much deserved promotion to District Director for the Nevada District. Ed, as they say in Nevada, Good Luck! Also, Roy Miller, State Director of the New Mexico Small Business Development Centers announced his retirement. We will certainly miss Roy's leadership at the SBDC and partnership with SBA. Ed and Roy, I wish you all the best in your future endeavors.

I hope you all have a happy and safe Holiday Season and I look forward to working with you through 2011.

John C. Woosley
New Mexico District Director

Inflationary Adjustment of 8(a) Program Acquisition- Related Thresholds

The Office of Business Development is announcing the publication of Final Rule, "Federal Acquisition Regulation; Inflation Adjustment of Acquisition – Related Thresholds," published in the *Federal Register* on August 30, 2010. This final rule was effective on October 1, 2010 and increases competitive dollar thresholds for acquisitions offered to the SBA under the 8(a) Business Development Program from \$5.5 million to \$6.5 million for manufacturing contracts and from \$3.5 million to \$4.0 million for all other acquisitions.

SBA Finalizes Revisions of Size Standards To Expand Opportunities for Small Businesses

The U.S. Small Business Administration published revised size definitions for businesses in 46 retail trade industries (**Sector 44-45, Retail Trade (RIN: 3245-AF69)**). The new car dealer industry converted from a revenue-based standard of \$29 million in average annual revenues to an employee-based standard of 200 employees.

Standards in five industries in accommodations and food services (**Sector 72, Accommodation and Food Services (RIN: 3245-AF71)**) and 18 industries in Other services (**Sector 81, Other Services (RIN: 3245-AF70)**) were also increased.

The changes will broaden small business eligibility and help them gain access to SBA's financial assistance, contracting and other programs. The agency estimates as many as 17,000 additional firms will become eligible for SBA programs as a result of the revised size standards.

SBA Administrator Karen G. Mills said, "this comprehensive review is aimed at making sure the factors that determine eligibility are aligned with current economic and industry indicators and ensure that small businesses across the country have the tools they need to drive economic growth and create jobs."

Under provisions in the Small Business Jobs Act of 2010, SBA will continue its comprehensive review of all size standards for the next several years, as the law specifies.

For more information about SBA's revisions to its small business size standards, visit <http://www.sba.gov/size> and click on "What's New."

SBA Awards PRIME Grants

Prime Grants were awarded to the Women's Economic Self Sufficiency Team receiving a Fiscal Year 2010 Second Year Award of \$33,500 and the New Mexico Community Capital receiving a Fiscal Year 2010 New Award of \$90,000.

PRIME grants are intended to help small, economically disadvantaged businesses with five or fewer employees, and to businesses owned by low-income individuals, including those residing on tribal lands. Such help is offered through a network of qualified nonprofit organizations that provide business training and technical assistance.

Grants ranged up to \$250,000 this year, with a 50 percent match required of each recipient organization. The PRIME grant is open to microentrepreneur training and technical assistance providers in the U.S. and its territories. It has a one-year performance period with four 1 year options.

For a complete list of recipients, Click on "SBA PRIME Grantees (by State), Fiscal Year 2010" at:

<http://www.sba.gov/financialassistance/prospectivelenders/prime/index.html>.

Native America e200 Graduates 17



The U.S. Small Business Administration (SBA) selected the cities of Albuquerque and Gallup, New Mexico to conduct the e200 program. This is the third consecutive year that New Mexico has been selected to host the class. SBA contracted with Interise out of Boston, Massachusetts, to deliver the curriculum. The mission of Interise is to stimulate economic revitalization in lower income urban communities. This year the program focused on Native America. Gallup, New Mexico was added this year because statistics show that it has the largest number of Native businesses in the nation. The Albuquerque venue was comprised of a cosmopolitan group of entrepreneurs while the Gallup location consisted of 100 percent Native participation.

April 2010 marked the beginning of the "StreetWise Steps to Small Business Growth" curriculum within the Emerging 200 class. Class participants signed on for a 13-week session that culminated in developing a three-year Strategic Growth Action Plan (GAP). This plan was presented to a panel of guest experts who offered feedback.

Penny K. Pickett, SBA Associate Administrator for the Office of Entrepreneurial Development, Washington, D.C., attended both events and offered congratulations and words of encouragement to the graduates.

Clara L. Pratte, SBA National Director for the Office of Native American Affairs, Washington, D.C., and native of Gallup, New Mexico, addressed the Gallup class. Pratte recognized the graduates for their spirit and hard work. She commended them for creating jobs and helping to sustain the regional economy.

Albuquerque Graduates:

- Barnett-Aldon Ironworks, Inc. Albuquerque, NM
- B Squared Technical Associates, Santa Fe, NM
- Cervantes Food Products, Inc., Albuquerque, NM
- Employers Pro Advantage, Inc., Rancho de Albuquerque, NM
- Ortega's Appliance Service Today, Albuquerque, NM
- Rock Gap Engineering, Albuquerque, NM
- Saigan Construction, Inc. – Albuquerque, NM
- Serafina Technical Consulting, LLC, Serafina, NM
- Shipping, Receiving, Fulfillment Services, Inc., Rio Rancho, NM

Gallup Graduates:

- 5 Star Oil & Gas/5 Star Security, Inc., Farmington, NM
- Enchantment Physical Therapy, Gallup, NM
- Herbert's Welding, Inc., Bloomfield, NM
- Navajo Tractor Sales, Inc., Gallup, NM
- Redhorse PM, Window Rock, AZ
- Care Express Transportation, Rehoboth, NM
- Powerline Technologies, Inc., Gallup, NM
- Round Rock Trading Post, Round Rock, AZ

The City of Albuquerque/Department of Economic Development was the setting for the Albuquerque ceremony. The Gallup-McKinley County Chamber of Commerce hosted the Gallup event.

The initiative garnered statewide support from SBA resource partners, native and other underserved small business communities.

Available Small Business Resources

~ NM SMALL BUSINESS DEVELOPMENT CENTERS ~
(NMSBDC) - 20 Centers Statewide

The NMSBDC network provides management and technical assistance to potential and existing businesses. To locate the nearest SBDC in your area visit their website at www.nmsbdc.org or call 1-800-281-7232.

~ SCORE - Counselor's to America's Small Business ~

Albuquerque SCORE Chapter #67
(505) 248-8232; www.abqscore.org

Las Cruces SCORE Chapter #397
(505) 523-5627; www.scorelascruces.org

Santa Fe SCORE Chapter #373
(505) 988-6302; www.santafescore.org

~ WOMEN'S BUSINESS CENTERS ~

WESST Enterprise Center - Albuquerque
(505) 246-6900; www.wesst.org

WESST – Gallup
(505) 863-3192; www.wesst.org

WESST – Las Cruces
(575) 541-1583; www.wesst.org

WESST – Rio Rancho
(505) 892-1238; www.wesst.org

WESST – Roswell
(575) 624-9850; www.wesst.org

WESST – Santa Fe
(505) 474-6556; www.wesst.org

~ MICROLOAN LENDERS ~

WESST Enterprise Center (SBA Microlender)
(505) 246-6900; www.wesst.org

The Loan Fund (SBA Microlender)
(505) 243-3196; www.loanfund.org

ACCION New Mexico – Arizona – Colorado
(505) 243-8844; www.accionnm.org

~ NEW MEXICO USDA RURAL DEVELOPMENT OFFICE ~
BUSINESS & COOPERATIVE PROGRAMS

6200 Jefferson NE, Room 255
Albuquerque, NM 87109 – (505) 761-4953

USDA Rural Development's mission is to increase economic opportunity and improve the quality of life in rural communities. For information on available rural programs call 505-761-4953 or visit the USDA's web site at <http://www.rurdev.usda.gov>.

New Mexican Appointed to Interagency Task Force on Veteran Small Business Development

John M. Garcia, first Cabinet Secretary of the New Mexico Department of Veterans' Service and a Vietnam veteran, has been appointed to and represents the National Association of State Directors of Veteran Affairs at the Interagency Task force on Veteran Small Business Development.

The task force, established by executive order by President Obama on April 26, 2010, coordinates federal efforts to increase and improve veteran small business development. It will make a report to the president by October 15, 2011.

"Through interagency and private-sector cooperation we intend to enhance existing efforts and increase access to capital, improve business development opportunities, and meet federal contracting goals for veteran-owned small businesses and service-disabled veteran-owned small businesses," said SBA Deputy Administrator Marie Johns.

Members consist of the SBA Administrator who shall serve as Chair of the Task Force. Senior level representatives from the Departments of Treasury, Defense, Labor, Veterans Affairs, Office of Management and Budget, General Services Administration and SBA (in addition to the Administrator). The SBA and its Office of Veterans Business Development provides comprehensive assistance, outreach and support to veterans. Each year SBA helps more than 200,000 veterans, service-disabled veterans and reservists. To learn more about additional opportunities for veterans available through the SBA, please visit the website at www.sba.gov/vets.

Albuquerque SCORE Workshop *Essentials for Starting a New Business*

3rd Friday of the month – 8:30 a.m. - 4:00 p.m.

Reservations: (505) 248-8232

Location: Albuquerque SCORE Chapter
625 Silver Ave., S.W., Suite 320 (Conference Room)
Albuquerque, NM 87102
Fee: \$55 – Payable at the door.

Federal Procurement Certification Workshops

1st Wednesday of the month – (Jan 5, Feb 2, Mar 2) 1:00 p.m. to 3:30 p.m.

Location: Small Business Development Center at CNM
2501 Yale Blvd. S.E., Suite 302

Albuquerque, NM 87106 - Workshop is free.
Contact: Barbara Sinha, NMSBDC/PTAP, at (505) 428-1362.

Presented by the NM Small Business Development Center Procurement Technical Assistance Program (PTAP). Interested business owners will gain valuable knowledge about the NM PTAP, SBA 8(a) & HubZone Certifications, NM Dept. of Veterans' Services, Veteran & Service Disabled Certifications and Self Certifications: Women and Minority-Owned and Small Disadvantaged Business.

NEW GUIDANCE ON THE SMALL BUSINESS HEALTH CARE TAX CREDIT

(Letter from SBA Administrator Karen Mills To Small Business Owners)

Dear Small Business Owner,

As I've traveled the country this year, I have heard from many of you who are looking forward to the new tax credits, health insurance exchanges, and other tools that will help you provide health insurance coverage to your employees as a result of the Affordable Care Act.

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. **Today, I'm pleased to announce that the Administration is releasing a one-page form and instructions ([available here](#)) on how to claim this credit for the 2010 tax year.** In addition, new guidance released today answers questions that many of you have asked related to: your 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.

These 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. 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.

Finally, the new law strengthens America's entrepreneurial spirit, overall. For example, it outlaws discrimination against those with pre-existing conditions, giving more Americans the ability to break out of "job lock" and start their own companies. The new law also prohibits insurance companies from dramatically increasing premiums for a small business just because one worker gets sick.

Overall, the Affordable Care Act is a critical tool that will help millions of small business owners provide health insurance to people who you often consider to be members of your extended family – your employees.

Warm regards,

Karen Mills
SBA Administrator





FY 2010 TOTALS
(10/1/09 - 9/30/10)

**New Mexico District
Lender Rankings &
Loan Activity**

| Lender | No. Loans | \$ Volume | Lender Ranking #s | Lender Ranking \$s |
|---------------------------------------|------------|---------------------|-------------------|--------------------|
| 7(a) and ARC Loan Activity | | | | |
| Century Bank | 52 | \$3,398,100 | 1 | 9 |
| Wells Fargo Bank | 31 | \$12,361,200 | 2 | 1 |
| Bank of the Southwest | 30 | \$9,144,900 | 3 | 2 |
| BBVA Compass Bank | 29 | \$4,184,200 | 4 | 7 |
| Western Commerce Bank | 25 | \$3,801,900 | 5 | 8 |
| First American Bank | 17 | \$5,314,600 | 6 | 3 |
| Community 1st Bank Las Vegas | 12 | \$2,024,700 | 7 | 13 |
| MyBank | 12 | \$998,000 | 8 | 26 |
| The Bank of Clovis | 11 | \$5,119,000 | 9 | 5 |
| Superior Financial Group | 11 | \$115,000 | 10 | 38 |
| New Mexico Bank & Trust | 6 | \$1,224,700 | 11 | 25 |
| First Savings Bank | 6 | \$857,000 | 12 | 28 |
| Excel National Bank | 5 | \$4,772,500 | 13 | 6 |
| Main Bank | 5 | \$2,370,000 | 14 | 11 |
| Pioneer Bank | 5 | \$450,000 | 15 | 33 |
| Live Oak Banking Company | 4 | \$5,138,000 | 16 | 4 |
| Citizens Bank of Las Cruces | 4 | \$2,438,500 | 17 | 10 |
| CapitalSource Bank | 4 | \$1,730,000 | 18 | 15 |
| Bank of the Rio Grande | 4 | \$655,000 | 19 | 32 |
| Bank of the West | 3 | \$918,500 | 20 | 27 |
| Union Savings Bank | 3 | \$785,000 | 21 | 30 |
| Valley National Bank | 3 | \$315,000 | 22 | 35 |
| First New Mexico Bank - Las Cruces | 3 | \$94,600 | 23 | 40 |
| Mountain America FCU | 3 | \$57,000 | 24 | 42 |
| CIT Small Business Lending Corp. | 2 | \$2,052,600 | 25 | 12 |
| Community South Bank | 2 | \$1,666,000 | 26 | 16 |
| Western Bank - Alamogordo | 2 | \$1,454,000 | 27 | 21 |
| Lea County State Bank | 2 | \$1,400,000 | 28 | 22 |
| Four Corners Community Bank | 2 | \$1,368,900 | 29 | 23 |
| American State Bank | 2 | \$834,000 | 30 | 29 |
| Newtek Small Business Finance | 2 | \$300,400 | 31 | 36 |
| Borrego Springs Bank | 2 | \$100,000 | 32 | 39 |
| Bank of America | 2 | \$40,000 | 33 | 44 |
| United Western Bank | 1 | \$1,875,000 | 34 | 14 |
| First Western SBLC, Inc. | 1 | \$1,602,000 | 35 | 17 |
| Ridgestone Bank | 1 | \$1,600,000 | 36 | 18 |
| American Business Lending, Inc. | 1 | \$1,500,000 | 37 | 19 |
| Celtic Bank Corporation | 1 | \$1,471,300 | 38 | 20 |
| First New Mexico Bank - Deming | 1 | \$1,318,300 | 39 | 24 |
| The First National Bank of New Mexico | 1 | \$666,000 | 40 | 31 |
| Western Bank of Clovis | 1 | \$349,900 | 41 | 34 |
| City Bank New Mexico | 1 | \$300,000 | 42 | 37 |
| United Central Bank | 1 | \$90,000 | 43 | 41 |
| Vectra Bank Colorado NA | 1 | \$50,000 | 44 | 43 |
| AmBank | 1 | \$35,000 | 45 | 45 |
| Grants State Bank | 1 | \$16,000 | 46 | 46 |
| American Heritage Bank | 1 | \$10,100 | 47 | 47 |
| Totals | 320 | \$88,366,900 | | |



FY 2010 TOTALS
(10/1/09 - 9/30/10)

**New Mexico District
Lender Rankings &
Loan Activity**

| Lender | No. Loans | \$ Volume | Lender Ranking #s | Lender Ranking \$s |
|---|------------------|----------------------|--------------------------|---------------------------|
| 504 CDC Participation | | | | |
| Capital CDC | 33 | \$14,826,000 | 1 | 1 |
| Enchantment Land CDC | 21 | \$9,078,000 | 2 | 2 |
| Front Range Regional Econ Dvpmt Corp dba Colorado Lending Source, LLC | 1 | \$3,933,000 | 3 | 3 |
| Total | 55 | \$27,837,000 | | |
| 504 3rd Party Lender Participation | | | | |
| Ironstone Bank | 6 | \$3,092,483 | 1 | 5 |
| New Mexico Bank & Trust | 6 | \$2,014,415 | 2 | 8 |
| Century Bank | 5 | \$1,342,339 | 3 | 10 |
| Wells Fargo Bank | 4 | \$3,943,900 | 4 | 3 |
| The Loan Fund | 3 | \$463,205 | 5 | 19 |
| First American Bank | 2 | \$5,906,812 | 6 | 2 |
| Western Commerce Bank | 2 | \$1,442,500 | 7 | 9 |
| Bank of the West | 2 | \$1,070,600 | 8 | 11 |
| Bank of America | 2 | \$1,003,000 | 9 | 12 |
| Los Alamos National Bank | 2 | \$904,300 | 10 | 13 |
| First Community Bank | 2 | \$837,613 | 11 | 14 |
| Citizens Bank of Las Cruces | 2 | \$770,664 | 12 | 15 |
| US New Mexico FCU | 2 | \$543,400 | 13 | 17 |
| NM Educators FCU | 2 | \$255,400 | 14 | 22 |
| Silverton Bank Insurance Services, LLC | 1 | \$6,500,000 | 15 | 1 |
| Grants State Bank | 1 | \$2,618,700 | 16 | 6 |
| Bank of the Southwest | 1 | \$2,359,601 | 17 | 7 |
| Centinel Bank of Taos | 1 | \$692,787 | 18 | 16 |
| The Bank of Clovis | 1 | \$467,635 | 19 | 18 |
| BBVA Compass Bank | 1 | \$302,204 | 20 | 20 |
| Western Bank of Clovis | 1 | \$278,500 | 21 | 21 |
| Sandia Laboratory FCU | 1 | \$3,227,500 | 22 | 4 |
| International Bank | 1 | \$225,000 | 23 | 23 |
| Peoples Bank | 1 | \$214,097 | 24 | 24 |
| Zions First National Bank | 1 | \$173,116 | 25 | 25 |
| Sunrise Bank of Albuquerque | 1 | \$131,000 | 26 | 26 |
| Bank '34 | 1 | \$84,000 | 27 | 27 |
| Total | 55 | \$40,864,771 | | |
| TOTAL SBA RELATED LOAN ACTIVITY FOR FY 2010 | | | | |
| | FYE 10 | | FYE 09 | |
| 7(a) Loans | 281 | \$87,090,900 | 280 | \$71,031,300 |
| 504 Loans - CDCs | 55 | \$27,837,000 | 46 | \$19,936,000 |
| SBA NM LOAN SUBTOTAL | 336 | \$114,927,900 | 326 | \$90,967,300 |
| ARC Loans** | 39 | \$1,276,000 | 13 | \$424,500 |
| SBA NM LOAN TOTAL | 375 | \$116,203,900 | 339 | \$91,391,800 |
| 504 Loans - 3rd Party Lenders | 55 | \$40,864,771 | 46 | \$27,119,568 |
| TOTAL NM CAPITAL | | \$157,068,671 | | \$118,511,368 |