

October 14, 2011

# UTAH DISTRICT NEWSLETTER

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## Save the Date:

October 19, 2011  
Salt Lake SCORE Workshop  
Salt Lake County Building Complex  
Salt Lake City, UT  
8:30 am to 4:30 pm  
Contact: (801) 746-2269

October 25, 2011  
8(a) Orientation—SBA Office  
125 South State Street, 2nd floor  
Salt Lake City, UT  
10:00 am to 11:30 am  
Contact: (801) 524-6831

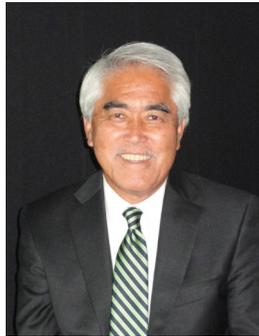
November 9, 2011  
Women in Business Conference  
Women in Motion  
Athena Award Luncheon (\$75)  
Little America Hotel  
Salt Lake City, UT  
8:00 am to 5:00 pm  
www.slchamber.com  
Contact: (801) 328-5055

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



Your Small Business Resource

## Director's Message



Stan Nakano  
District Director

The small business community continued to rebound during 2011, bringing with it a record demand for SBA-backed lending throughout Utah.

For fiscal year 2011 (10/1/10 to 9/30/11), the SBA guaranteed 1,561 small business loans for over \$435 million, an all-time dollar record for Utah. Our lending partners include banks, credit unions and certified development companies, each one helping SBA meet the funding needs of small companies here in Utah.

Along with record lending support, the SBA's Utah District saw demand for its product and service offerings increase due to several new agency initiatives and programs introduced during fiscal year 2011 that included:

- An expanded partnership with the U.S. Department of Commerce to provide exporting assistance through [www.export.gov](http://www.export.gov).
- A new Women's Contracting Program to help women business owners more effectively compete for government contracts in underserved industries.
- Increased loan limits for our two most popular lending options, the 7(a) and 504 loan programs.
- Expanded access to refinancing existing SBA 504 loans to ease cash flow pressures on small businesses.
- The most comprehensive improvements to our government contracting programs in the last two decades.

Honoring our 2011 Small Business Week awardees in May, hosting a June visit from SBA's Ombudsman, Esther Vasser, who held a regulatory roundtable with small business owners, and supporting over \$182 million in government contracting for 8(a) and HUBZone firms in Utah were all 2011 highlights for the Utah SBA District.

Finally, our ongoing success would not be possible without the diligent support of our major Resource Partners, including SCORE, the Small Business Development Center Network, the Women's Business Center, and the Utah Procurement Technical Assistance Center Network. We are fortunate to be associated with all of these partners and others we work with throughout the year.

We are excited about the future and look forward to continuing a legacy of serving the small business community as we strive to help companies start, grow and succeed throughout Utah in FY 2012.

**Jobs Act Loan Incentives Led to Record SBA Loan Approval Volume, Supporting  
Over \$30 billion in Small Business Lending  
Record \$435.8M in loans supported in Utah**

**WASHINGTON** – Spurred in part by unprecedented loan volume in the year’s first quarter, small business loans backed by the U.S. Small Business Administration in FY2011 reached the highest mark in the agency’s history, supporting over \$30 billion, continuing the rebound begun in 2009 and returning to healthy pre-recession levels in the final three quarters of the year.

During the fiscal year, which ended Sept. 30, SBA loan approvals supported \$30.5 billion (61,689 loans) in lending to small businesses and start-ups through its two largest loan programs, compared to \$22.6 billion (60,771 loans) in FY 2010 and \$17.9 billion (50,830 loans) in FY2009.

In Utah \$435.8M in total lending was supported by SBA and its lending partners in FY11. This record amount included \$302.2M in 7(a) lender loans and \$133.6M in 504 Certified Development Company loans.

“During these challenging economic times, it is important that Utah small businesses were able to get much needed access to capital through our SBA loan programs. The \$435.8M represented a record year for the Utah District office and I applaud our Utah lenders for making this possible,” stated Stan Nakano, SBA’s Utah District Director.

“SBA-backed lending continued the upward trend we saw last year,” SBA Administrator Karen Mills said. “Due to the Small Business Jobs Act and a return to pre-recession lending levels, over 61,000 small businesses had access to capital. Small businesses are the backbone of the economy and SBA has been there to help them rebound through difficult times over the past few years. First through the Recovery Act and then through the Small Business Jobs Act and new SBA lending programs, SBA has provided small businesses with the tools they need so they can grow and create jobs. As SBA lending levels continue to indicate a rebound in small business lending, we will work through new programs to fill the gaps created in the marketplace.”

The FY2011 total is the highest volume fiscal year in the agency’s history, surpassing the \$28.5 billion mark established in FY2007. The first quarter of the year, at over \$12 billion supported, was the most active single quarter ever for SBA-backed loans, with more than four times the dollar volume of the same quarter in 2009 – the first three months of the recession – and more than double the volume of any quarter over the past four years.

The unprecedented quarter was prompted by the enhancements provided under the Small Business Jobs Act, which were in effect. The loan enhancements allowed SBA to raise the guarantee on its 7(a) loans to 90 percent and waive fees on both its 7(a) and 504 loans.

The totals for FY2011 include 53,706 loans for \$19.63 billion under the agency’s largest loan program, the 7(a) General Business Loan program, and 7,983 loans for a total approval of \$4.84 billion, supporting \$10.34 billion in small business lending under the 504 Certified Development Company loan program. The “supported” amount for 504 loans includes the SBA share and third party loans that are made by commercial lenders as part of the funding package.

Those numbers compare with 7(a) totals for FY 2010 of 52,938 loans for \$12.46 billion, and 504 program totals of 7,833 loans for a total supported dollar amount of \$9.97 billion.

While SBA lending has returned to pre-recession lending levels, there continue to be gaps in the marketplace and small businesses that need access to capital. To help fill these gaps, SBA created two new lending programs in FY2011: Community Advantage and Small Loan Advantage. The Advantage lending programs provide streamlined applications for loans under \$250,000 with the standard 7(a) guarantee in order to incentive lenders to make smaller-dollar loans. The smaller-dollar loans often go to underserved communities. Additionally, Community Advantage increases the points of access for small businesses by allowing “mission focused” lenders, such as CDFIs and micro lending intermediaries, the ability to make 7(a) loans.

In FY2011, SBA has added 30 new lenders to the 7(a) lending program through the Community Advantage program.

The total for 2011 also included approximately \$5.8 billion in loans to more than 16,000 start-up small businesses, the most since FY2008.

For more information about these and other SBA programs, visit the SBA Web site at [www.sba.gov](http://www.sba.gov), or contact your local SBA field office. You can find contact information for your local SBA office at <http://www.sba.gov/localresources/index.html>.

**SBA Grants \$30 Million to States for  
Trade, Export Promotion**  
*STEP Initiative Will Help Small Businesses Export*

**WASHINGTON** – The U.S. Small Business Administration is providing \$30 million in grants to states, territories, and the District of Columbia, to help increase exporting by small businesses during the next 12 months. The grants were authorized by the Small Business Jobs Act of 2010, under the State Trade and Export Promotion Program (STEP).

The State of Utah will receive approximately \$584,000 of the STEP grant funding . These funds will be administered by the Governor's Office of Economic Development.

The STEP program, launched in March, aligns with President Obama's National Export Initiative. The President's initiative calls for doubling U.S. exports in five years – and in so doing, supporting two million jobs. The program provides federal government funding for 65 to 75 percent of program costs, with states supplying the remainder.

SBA Administrator Karen Mills announced the awards today at an event in Raleigh, N.C., at Raleigh Denim, a small business that produces and exports denim products. Forty-seven states, the District of Columbia, Puerto Rico, Guam, the Northern Mariana Islands, and the Virgin Islands received STEP grants.

“Strengthening the nation's economy through a substantial increase of U.S. exports is a top priority for the Administration and the agency,” said Mills. “This is a unique partnership between the federal government and the states. Sharing responsibilities and resources will help new small exporters across the country enter and succeed in the global market.”

The funding will support participation in foreign trade missions, foreign market sales trips, subscriptions to services provided by the Department of Commerce, website translations fees, design of international marketing media, trade show exhibitions, participation in training workshops, and other critical export initiatives.

Small businesses that want to receive assistance under the STEP program should contact the organizations serving the states in which they are located. For a list of these organizations and more information about the STEP program, visit <http://www.sba.gov/about-offices-content/1/2889/resources/14315>. The SBA anticipates it will conduct a new competition for STEP program grants during the winter of 2011. Awards will be made in September 2012 for export support services by states over the following 12 months.

**SBA Awards Grant to Logistics Specialty, Inc. of Bountiful, Utah**

*Five-year pilot program will help small businesses work together to grow and create jobs*

**WASHINGTON, DC** – The U.S. Small Business Administration (SBA) today announced grant awardees in a pilot program designed to help small businesses work together to compete for federal contracts, grow, and create jobs. Logistics Specialty, Inc. of Bountiful, Utah, is the only awardee selected from Region VIII.

The Small Business Teaming Pilot Program, made possible by the Small Business Jobs Act, awards grants to organizations for training, counseling, and mentoring to help small businesses enter into teaming relationships and compete for larger federal contracts. Teaming may take the form of joint venture and mentor-protégé relationships.

Eleven grantees were selected from hundreds of applications submitted. Grantees were awarded between \$200,000 and \$500,000 in funding, for a total of approximately \$5 million in Fiscal Year 2011.

“Government contracts are a crucial source of revenue for small businesses job growth,” said SBA Region VIII Administrator Dan Hannaher. “The teaming pilot program facilitated by Logistics Specialty Inc. will allow small businesses to gain competitive advantage for large government contracts.”

The organizations in the pilot program will help small businesses find other firms interested in teaming, form teaming arrangements, and find and bid on larger contracts. Grantees will leverage their existing resources and collaborate with SBA District Offices, resource partners, and other federal, state, local and tribal government small business development programs.

Small businesses interested in becoming part of a small business team should contact the grantee nearest to them.

For more information about the Small Business Teaming Pilot Program, please visit [www.sba.gov/teaming](http://www.sba.gov/teaming).



- Free help from 13,000+ mentors
- Local and online workshops
- Hundreds of templates and tools

<http://www.score.org>

**Special points of interest:**

Score is the most cost effective catalyst for economic growth

SCORE Helps Small Business succeed & contribute to the U.S.

SCORE Helps Small Businesses Create Jobs



Loy Rasmuson  
Utah District Director

U.S. Small Business Administration for 27 years

Economic Development Specialist and SCORE Liaison for SBA



Wayne Stoker  
Utah Assistant District Director

IBM Career—34 years USA, Germany & Far East—Sales and Sales management

SCORE 17 years

SL Kiwanis  
SL Visitors & Convention Bureau  
SL Chamber  
Utah Manufactures



Paul Campbell  
Southern Utah Chapter

CEO of Community banks for 20 years.

Past president of the Washington State Bankers Association

Prior experience in commercial lending to small business and bank administration and marketing (SBA)



Greg Parkhurst  
Ogden Chapter

Professor of Economics at Weber State University

Strong background in research methods and quantitative analysis



Marlon Wilson  
Northern Utah Chapter

Purchased/managed family owned business

Purchased 5 collection agencies across the country

Consultant for debt collection and billing companies



Arnold Brown  
Central Utah Chapter

Attended BYU

Graduated from Pacific Coast Banking School/Commercial Lending Graduate School at the University of Oklahoma

Worked in banking for 34 years



Ron Tucker  
Salt Lake Chapter

Operations and general management with consumer products manufacturing companies including Stanley Works and Fiskars

Served in corporate positions as Division President and Vice President Operations

Owned and operated a commercial printing business

**Utah SCORE Chapters**

**Northern Utah Chapter #637**  
Marlon Wilson, Chairman  
Cache BRC Attn: SCORE, Room 1901  
1400 North 1000 West  
Logan, UT 84321  
Phone: (435) 213-8713  
[www.northernutah.score.org](http://www.northernutah.score.org)

**Ogden Chapter #158**  
Gregory Parkhurst, Chairman  
Ogden Business Center  
2036 Lincoln Ave., Suite 105  
Ogden, UT 84401  
Phone: (801) 629-8613  
[www.ogden.score.org](http://www.ogden.score.org)

**Salt Lake Chapter #49**  
Ron Tucker, Chairman  
Business Resource Center  
310 S. Main Street  
Mezzanine  
Salt Lake City, UT 84101  
Phone: (801) 746-2269  
[www.saltlake.score.org](http://www.saltlake.score.org)

**Central Utah Chapter #444**  
Arnold Brown, Chairman  
1032 West 1930 North  
Pleasant Grove, UT 84062  
Phone: (801) 373-8660  
[www.centralutah.score.org](http://www.centralutah.score.org)

**Southern Utah Chapter #524**  
Paul Campbell, Chairman  
Dixie Business Alliance  
St. George, UT 84790  
Phone: (435) 652-7741  
[www.southernutah.score.org](http://www.southernutah.score.org)

**SCORE**

- Helping over 1,000 Utah Entrepreneurs annually to start a new business or grow their existing business.
- FREE One-on-One Personalized Mentoring and Advice.
- FREE monthly Workshops.

**UTAH**

## The **SCORE** FOUNDATION

### **SCORE Helps Clients Create New Businesses**

- In 2009, SCORE clients started a total of 68,452 new businesses in the U.S., of which 442 are in Utah.
- Based on SCORE's current appropriation of \$7M, the cost of SCORE to help create one business is \$102 and the cost to help create a job is \$229.
- SCORE is the most cost effective catalyst for economic growth.

### **SCORE Helps Small Businesses Succeed & Contribute to the US**

- Businesses mentored by SCORE grossed \$38 billion in 2009 revenue, with an average of \$314,000 per business. These same businesses project their 2010 growth to a cumulative revenue of \$53 billion.
- The average revenue of a Utah business was \$87,000 in 2009.
- For every "federal" dollar appropriated to SCORE, U.S. SCORE clients paid \$107.48 on average in federal taxes.
- Estimated taxes paid by U.S. SCORE clients: \$752,400,000.

### **SCORE Helps Small Businesses Remain Viable and Save Jobs**

- At least 65.6% of SCORE's "In-business" clients in Utah (those already in business in 2009) remained in business in 2010.
- SCORE helped 1,049 small businesses in Utah save jobs.

### **SCORE Helps Small Businesses Create Jobs**

- U.S. SCORE clients created 30,603 jobs in 2009. 198 of these new jobs are in Utah.
- U.S. SCORE clients project a total job growth of 155,810 Full-Time Equivalent employees in 2010.

### **SCORE Helps Veterans**

- Veterans comprise 4.7% of SCORE's 2009 clients in Utah.

## **HIGHLIGHTS**

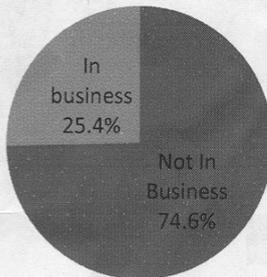
- SCORE clients started a total of 68,452 new businesses in 2009.
- For every dollar appropriated to SCORE, SCORE clients paid \$107.48 on average in federal taxes.
- Estimated taxes paid by SCORE clients: \$752,400,000
- At least 90% of SCORE's "In Business" clients (those already in business in 2009) remained in business in 2010.
- SCORE clients created 30,603 jobs in 2009.

**SCORE Advises at All Points of the Business Life Cycle**

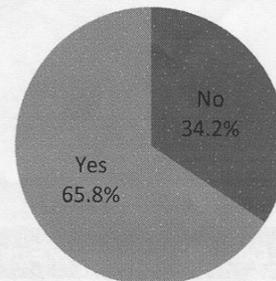
**RESEARCH METHODOLOGY**

The SCORE Foundation engaged Gallup to conduct research into the economic impact of the small business mentoring work SCORE'S 13,000 volunteers had on the US Economy in 2009.

Gallup conducted a census survey of all SCORE mentoring clients. 10,831 responded via telephone and web from April 28 – June 28, 2010. Total client revenue, business creation, and job creation numbers were calculated via straight line extrapolation from the survey respondents to the total number of 2009 SCORE clients.



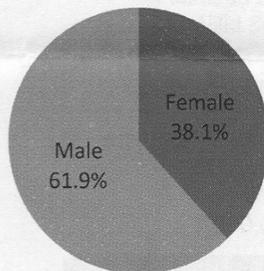
Business stage prior to SCORE Mentoring in Utah



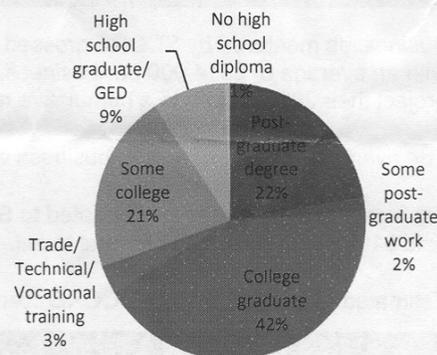
As a result of the mentoring you received from Utah SCORE, have you changed any of your current business practices or strategies?

**Environment and Scale of SCORE's Work**

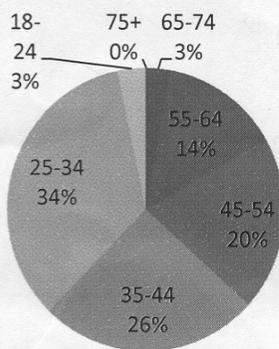
Utah SCORE mentored 1,100 new, aspiring and current small business owners in 2009. SCORE clients in Utah represent a variety of backgrounds and education levels:



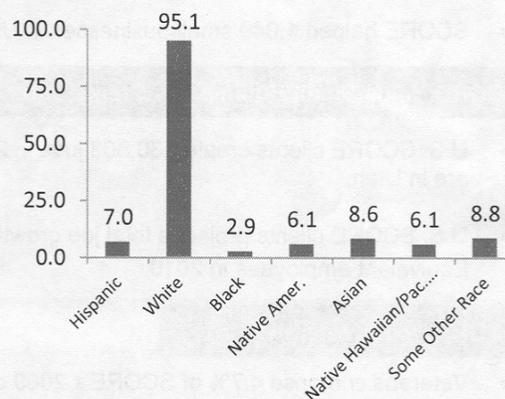
Gender



Highest Level of Education



Age



Percent Reporting Each Race / Ethnicity

LENDER	September Loan Numbers	September Total Dollars	YTD Loan Numbers	YTD Dollars
ALLIANCE COMMUNITY FCU	1	\$70,000	17	\$944,300
AMERICA FIRST FCU	3	\$70,000	43	\$1,391,100
AMERICAN BANK OF COMMERCE D/B/A AMBANK	0	0	12	\$8,894,500
AMERICAN BANK OF THE NORTH	0	0	1	\$180,000
AMERICAN NATIONAL BANK	0	0	1	\$193,400
BANCFIRST	0	0	1	\$200,000
BANK OF AMERICA	0	0	1	\$2,500,000
BANK OF AMERICAN FORK	1	\$60,000	32	\$7,999,200
BANK OF THE WEST	0	0	3	\$1,764,100
BANK OF UTAH	0	0	9	\$6,322,100
BORREGO SPRINGS BANK, N.A.	0	0	2	\$1,211,000
BRIGHTON BANK	1	\$500,000	13	\$2,841,500
CACHE VALLEY BANK	1	\$50,000	3	\$122,300
CAPITAL COMMUNITY BANK	0	0	3	\$357,600
CELTIC BANK CORPORATION	1	\$100,000	45	\$37,243,600
CENTRAL BANK	6	\$879,200	41	\$6,557,200
CHARTWAY FCU	2	\$48,500	25	\$784,900
COMPASS BANK	0	0	1	\$370,000
CYPRUS FCU	0	0	4	\$97,500
EASTERN BANK	0	0	1	\$4,620,000
EASTERN UTAH COMMUNITY FEDERAL CU	0	0	1	\$248,000
FIRST CHATHAM BANK	0	0	1	\$301,000
FIRST NATIONAL BANK OF LAYTON, THE	0	0	8	\$7,743,500
FIRST UTAH BANK	1	\$1,768,000	11	\$7,446,000
FRONTIER BANK, FSB	0	0	0	0
GOLDENWEST FCU	1	\$30,000	7	\$272,800
GRAND VALLEY BANK	0	0	2	\$125,000
HORIZON UTAH FCU D/B/A HORIZON CU	0	0	3	\$45,000
JORDAN FCU	1	\$5,000	12	\$569,100
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	9	\$3,693,400	88	\$24,502,000
KEYBANK NATIONAL ASSOCIATION	2	\$790,000	24	\$10,341,900
LEWISTON STATE BANK	0	0	0	0
LIBERTY BANK, INC.	1	\$156,000	8	\$1,641,000
LIVE OAK BANKING COMPANY	0	0	7	\$4,815,000
MEADOWS BANK	0	0	5	\$1,501,700
MOUNTAIN AMERICA FCU	6	\$1,446,100	140	\$18,058,900
MOUNTAIN WEST BANK	0	0	2	\$100,000
MOUNTAIN WEST SMALL BUSINESS FINANCE	18	\$7,712,000	181	\$93,674,000
NATIONAL BANK OF ARIZONA	0	0	2	\$359,000
NEWTEK SMALL BUS FINANCE, INC.	0	0	1	\$3,224,800
PRIME ALLIANCE BANK	0	0	0	0
PROFICIO BANK	0	0	5	\$3,016,500
ROCK CANYON BANK fka WESTERN COMMUNITY BANK	0	0	6	\$6,336,800
SPIRIT OF TEXAS BANK, SSB	0	0	2	\$379,800
STATE BANK OF SOUTHERN UTAH	3	\$485,000	43	\$2,846,900
SUNFIRST BANK	0	0	1	\$2,000,000

LENDER	September Loan Numbers	September Total Dollars	YTD Loan Numbers	YTD Dollars
SUPERIOR FINANCIAL GROUP, LLC	1	\$7,500	10	\$115,000
THE VILLAGE BANK	0	0	1	\$561,000
TOWN AND COUNTRY BANK	0	0	1	\$60,400
U.S. BANK NATIONAL ASSOCIATION	3	\$1,954,500	31	\$15,645,100
UNITED MIDWEST SAVINGS	0	0	1	\$719,600
UNIVERSITY FIRST FCU	2	\$185,000	21	\$4,275,000
USU CHARTER FCU	0	0	1	\$150,000
UTAH CERTIFIED DEVELOPMENT COMPANY	5	\$6,186,000	65	\$38,921,000
UTAH COMMUNITY FCU	0	0	0	0
UTAH FIRST FCU	0	0	2	\$65,000
VECTRA BANK	0	0	4	\$826,100
WELLS FARGO BANK, NATIONAL ASSOCIATION	4	\$669,300	56	\$19,097,000
YELLOWSTONE BANK	0	0	1	\$5,000,000
ZIONS FIRST NATIONAL BANK	36	\$4,390,400	549	\$76,209,300
<b>TOTALS</b>	<b>109</b>	<b>\$31,255,900</b>	<b>1561</b>	<b>\$435,787,500</b>