

REGION VI NEWS

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Regional Success Story Oklahoma District

SBA helps fund “Made in the USA”

Paul and Susan Hildebrand, owners of Tulsa-based Economaster’s, LLC manufacturing company, are riding the economic tide and still standing strong. Almost three years after purchasing the 18-year-old company with a loan backed by the SBA, Economasters is expanding and creating jobs.

They have grown from 14 employees and sales of \$1.7 million to 28 employees today with sales expected to exceed \$3.6 million.

“With the economy the way it is, banks are fearful to loan money,” Paul said. “SBA has been willing to step in to strengthen our loan package and give us the capital we need to grow.” Just recently, Economasters moved from a 15,000-square-foot facility to a 47,000-square-foot facility on 3 acres of land. “It’s very encouraging to have SBA behind us.”

Economaster’s has “made in the USA” all over it. Their highly skilled and certified welders are manufacturing heat exchangers that are conserving energy and being shipped to Canada, Mexico, Saudi Arabia, Venezuela, Hungary, Sicily, Israel, Latvia in Northern Europe, Egypt, Thailand and Peru.

Message from Regional Administrator

Yolanda Garcia Olivarez



SBA Commits Resources to Underserved Communities

The SBA is committed to providing access and opportunity to Americans who are – or who want to become – small business owners. For a variety of reasons, some communities are underserved when it comes to getting the tools they need to grow a business and create jobs. This includes minorities, women, veterans, those in rural and urban areas, and others.

With 68 District Offices located across America, the SBA and its many resource partners are committed to providing services to small businesses that need help. We have a vast network with proven experience, especially in areas

with limited access to financial and technical assistance.

Importantly, many of our staff around the country are familiar with their unique small-business communities and how to meet their needs. In fact, many of our district offices and resource partners have bilingual or multilingual staff. Check out your own local resources at www.sba.gov/direct simply by typing in your zip code.

Our resource partners include about 900 Small Business Development Centers that provide training and business counseling for little or no cost. This includes the basics of starting a business and understanding more about topics like finances, marketing, production and management.

We also have 110 Women’s Business Centers, and 350 chapters of SCORE, our mentoring program that matches experienced entrepreneurs with up-and-comers.

Providing adequate services to underserved small businesses requires a crosscutting strategy that touches upon many policy and program areas.

In addition to these counseling efforts, access to capital is top on SBA’s agenda. Small firms require financing to grow, to hire new employees, and invest in the future.

Already, SBA loans are much more likely than traditional small business loans to go to women and minorities. But unfortunately, there are still gaps in the marketplace.

For example, studies show that low-dollar small business loans are particularly important for economic development in underserved communities. But, while overall small business lending has started to come back after the recession, we still see a gap in this area.

That’s why we are piloting the Community Advantage program. For the first time, we opened up SBA’s most popular loan program to community-based, mission-focused lenders who have a high-touch approach. This includes Community Development Financial Institutions, SBA’s Certified Development Companies, microlenders, and others who keep at least 60 percent of their portfolios in underserved markets.

Community Advantage will let these organizations make “7(a)” loans of \$250,000 or less, and they can use streamlined paperwork to get the deal done.

Beyond these capital and counseling focused programs, we also help small businesses get linked up with the world’s largest customer – the U.S. Government. Working closely with other federal agencies, we help set aside nearly one-fourth of all federal contracts for small businesses, totaling nearly \$100 billion annually.

This includes specific efforts targeted at service-disabled veteran-owned business, firms in historically underutilized business areas (HUBZone), minority and disadvantaged firms 8(a), and – new for 2011 – women-owned businesses.

Overall, to further drive targeted strategies for underserved communities throughout the SBA, we recently convened the first meeting of our Council on Underserved Communities. They are providing input, advice and recommendations on how we can do even more to reach out.

We will continue to find new ways – both at SBA and throughout the Administration – to put more tools in the hands of our job creators, including those in underserved communities.



U.S. Small Business Administration

District News and Announcements

Lubbock District Office

District staff supports others and good health

Members of the Lubbock District Office are starting the new fiscal year with a renewed commitment to health and wellness. In doing so, 50% of the Lubbock District Office participated in the 2011 Susan G. Komen "Race for the Cure" on Saturday, October 1, 2011. The purpose of this annual event is to raise funds and awareness for the fight against this life threatening disease; celebrate breast cancer survivorship; and, honor those who have lost their battle to breast cancer. The majority of the Lubbock staff made a commitment to actively promote health education and wellness in 2012 and beyond. The Lubbock staff will participate in upcoming health events such as the Cure for Diabetes walk and other worthy community activities.

Lubbock District Director Calvin Davis states that the health of each member of the Lubbock staff is of utmost importance to him because a person's good health typically lends itself to enhanced self esteem. This tends to result in a happy home life and a pleasant inter-office environment. Calvin further stated that health awareness has become more of a priority to him especially as he glares at himself in the mirror, but, more importantly it is a priority as the office staff, as a whole, gracefully matures. He encourages all employees as well as other SBA offices to join in by taking part in community health movements, personal fitness, and healthy life activities." The Lubbock District Office is committed to leading by example in 2012.



(Pictured left to right: Sandra Caldwell, Roger Henderson, Calvin Davis, Kim Hobgood, Eric Spencer, Jose Salinas)

San Antonio District Office

SBA district family fills plates

As food banks across the country continue to face severe shortages of non-perishable goods, the SBA San Antonio District pitched in by kicking off the local food drive on June 9. Employees volunteered and opened their pantries to help fill plates for many children, seniors and families who are suffering from hunger by donating approximately 4,416 pounds of non-perishable items of the SBA nationwide cumulative total of 29,912 pounds for the 2011 Feds Feed Families Drive summer food drive.

The SBA categorized as a "Petite Agency" surpassed last year's food drive goal according to the SBA Daily. Local Food Bank Drive Coordinator Monica Borrego (pictured center) enlightened the staff with her presentation on how community drives and organizations really make a difference and touch so many people in need. Our resource partners, the San Antonio SCORE Chapter President Carter Crews and the SBDC South Texas Border Network Associate Regional Director Mary Peters joined SBA in the worthy drive by contributing both in dollars and non-perishable food. In addition, BOS Sean Smith went the extra mile by conducting a drive at his townhouse complex reaching out to 150 tenants. "Amazing, what a wonderful thing to witness the unity among us all!" states SBA District Food Bank Drive Coordinator Mary Alice Blanco.

District Director Pamela Sapia commends the District family, "Everyone was so busy with the work and office goals, but found time to volunteering in the fight to end hunger in the City of San Antonio, Bexar County, and surroundings counties. I am very proud of my staff!" The food drive concluded on August 30 when we turned in food and funds donations to the San Antonio Food Bank. For every dollar donated to the Food Bank, \$13 worth of groceries can be assembled for needy families in Southwest Texas.

The San Antonio district office staff (pictured below) looks forward to next year's food drive.



El Paso District Office

RA keynotes conference

The El Paso 6th Annual Veterans Conference was held on October 19, 2011 for veterans, service-disabled veterans, transitioning military, and reservists to provide a venue to network and learn from experts in the area of federal contracting, financing, franchising and other related small business topics. Participants had one-on-one sessions with federal purchasing officers and prime contractors who are looking for sub-contracting opportunities.

The luncheon keynote speaker was SBA Regional Administrator for Region VI Yolanda Garcia Olivarez who spoke about procurement and the American Jobs Act.

Congressman Silvestre Reyes also addressed the audience during the event. Other speakers during the day-long event included John Moliere, President of the National Veteran Small Business Coalition and Brian Bascom, CEO of the United States Veterans Chamber of Commerce.

Houston District Office

SBA district recruits lenders

SBA Houston District Director Manuel Gonzalez successfully signed on American First National Bank in Houston to be an SBA lender after thirteen years of being in business. American First National Bank is an Asian-American owned bank started in 1998 and is located on Bellaire Blvd. among the high concentration of Asian-American businesses.

District Director Gonzalez and the University of Houston Small Business Development Center are assisting the bank with their first SBA loan package to a local Asian grocery store.

The Houston District Office recruited ten new SBA participating lenders in fiscal year 2011.

Dallas/Fort Worth District Office

SBA loan numbers

The Dallas District enjoyed an all time record in lending during FY 2011. 1748 loans were approved for \$882.5 million by more than 145 lenders and CDCs.

As a way to celebrate the lenders and their contribution to this successful year, we gave more than 15 awards to lenders in various categories at our Annual Lenders Award Ceremony. The Pinnacle award went to Wells Fargo for having approved \$70 million in 7(a) loans; the pinnacle award in the small lender category went to Seacoast Commerce bank with \$30 million in approvals; in the 504 category, the pinnacle award went to the Greater East Texas CDC with \$32.9 million in approvals.

New Mexico District Office

Hispanic Community Action Summit

The White House Hispanic Community Action Summit was held in Las Cruces, New Mexico on October 27, 2011.

U.S. Small Business Administration Region VI Regional Administrator, Yolanda Garcia Olivarez was one of several senior Administration officials that participated in the event. Regional Administrator Olivarez also facilitated several of the breakout sessions. Staff supporting the Regional Administrator included Deputy District Director Susan Chavez, Public Information Officer Sandra Duran Poole, both from the New Mexico District Office and Jose Campos, Lead Business Development Specialist, from the El Paso District Office.

The goals of the summit included:

- Have community leaders interact with key decision and policy makers in the administration from a diverse array of policy areas;
- Share concerns, constructive criticism, feedback and success stories with the administration.
- Find ways to collaborate with the administration and other leaders from across the country in addressing the needs of the Hispanic community.
- Build relationships

Topics discussed were education, small business, exporting, immigration, housing, health care and ethics.

The forum was an Open Space Process where the participants created the agenda and discussed the issues. Members of the administration introduced themselves and explained their role. They facilitated the small community groups to brainstorm and identify action items and possible solutions. Follow-up activities were scheduled and set up by each community group.

The approximately 200 individuals that attended the summit included Hispanic leaders, small business owners and local officials. They discussed issues critical to the Hispanic community including how the American Jobs Act can strengthen the economy and keep hundreds of thousands of firefighters on the job, police officers on the street and teachers in the classroom in the southern New Mexico region and the nation.



(Pictured: left - Tammy Trevino, USDA Rural Development Agency; at podium - Yolanda Garcia Olivarez, SBA Regional Administrator-Region VI; far right - Terry Brunner, NM State Director, USDA Rural Development)

Lower Rio Grande Valley District Office

8(a) Firm Grateful to SBA for Assistance

Asphalt and Concrete Service Inc. is a service provider that offers asphalt, concrete, seal coating and striping services. The company was started in 1994 in a small space in an apartment which was also the primary residence of owner Armando Ortiz, Jr. Armando comes from a family who has participated in the SBA 8(a) program previously, all under other business entities. Asphalt and Concrete Service Inc. was recently approved as an 8(a) contractor. Asphalt and Concrete Service Inc. was awarded its first 8(a) contract by the Corpus Christi Naval Air Station in Corpus Christi, Texas in the amount of \$438,000, but most importantly created five jobs for its local economy.

Like many at the SBA, we are tasked with letting our customers know about established programs that can help the small businesses grow and expand. That is only half the battle. We also must be ready to provide current information on new programs, updates, and regulation changes. Firms count on this new information so they can be compliant and expand their business with new opportunities. Gilbert Soliz, Business Development Specialist at the Lower Rio Grande Valley SBA office located in Harlingen, Texas is in charge of working with 8(a) client, Mr. Armando Ortiz, Jr. Gilbert provided the firm with the information that they needed to do business with the federal government, namely the 8(a) program. For his efforts, he recently received a letter from Mr. Ortiz stating, "Thank you for taking the time and for supporting Asphalt & Concrete Service Inc. We sincerely appreciate the time you have spent reviewing our goals and recommending strategies for achieving them. Your advice has been very helpful and given us a new perspective on available opportunities." More recently, Mr. Ortiz was awarded another contract with the Department of the Navy/Kingsville for \$3.8 million. In total, with the assistance of the 8(a) program, this company has created and/or retained 24 new jobs. The local SBA office is committed to nurturing businesses through their contracting, financing and counseling programs much like what Mr. Soliz is doing – one business at a time.

Arkansas District Office

Small business lending record for FY 2011

Arkansas small businesses received \$154 million in SBA 7a and 504 loans, which supported a total capital outlay of \$166 million, a record for Arkansas and an increase of 37% in SBA loans, and 26% in total outlay.

Micro loans added another \$288 thousand, an increase of 18%, and another \$12 million was invested through Diamond State Ventures, an SBA licensed Small Business Investment Company.

The overall total capital supported by SBA programs in Arkansas was \$186 million and represents an overall increase of 39%. Thanks to all of our lending partners and other partners such as the Arkansas Small Business and Technology Development Center, SCORE Chapters, Arkansas Women's Business Center, and P.R.I.M.E. who gave invaluable counseling services and assistance in accessing that capital.

FY 2012 is off to a good start as well. Arkansas' Winrock International and the Northwest Arkansas Community College received a grant through the Jobs and Innovation Accelerator Challenge to support high-growth, regional clusters. This was one of 20 awarded around the country. The ARK: Acceleration, Resources, Knowledge will enhance cluster development in a tri-state area at the intersection of Northwest Arkansas, Northeast Oklahoma, and Southwest Missouri. Funding came from the Economic Development Administration of the Department of Commerce, the Employment and Training Administration of the Department of Labor, and SBA.

The Arkansas World Trade Center received a grant through the State Trade and Export (STEP) initiative to assist small businesses in exporting their goods and services to foreign markets. Together with required matching, these two initiatives represent over \$3 million to assist growth opportunities for Arkansas small businesses.

Louisiana District Office

District update

The Louisiana District Office has played an integral part in the Veteran's Transition Assistance Program which provides information and assistance to recently discharged veterans on entrepreneurship.

Also, the staff has been engaged in various Lender Matchmaker Events with Idea Village, one of the leading non-profit economic development entities that has been instrumental in securing financing and business acumen for developing start-up technology-related companies that have historically had difficulty in securing traditional means of financing.

Region VI Loan Numbers

FY 2012—month ending 10/31/11

Amts. Rounded to nearest \$1,000

| | #Loans | \$Approval |
|-----------|--------|------------|
| All Loans | 398 | \$ 155,036 |
| 7(a)/ARC | 371 | \$ 135,163 |
| 504 | 27 | \$ 19,873 |

News from Headquarters

Record \$12 billion 1st Quarter Followed By Return to Pre-Recession Levels

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.

"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."

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.

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 \$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 microlending 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, 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>.