

WYOMING LENDER ALERT

October 2011

U.S. Small Business Administration

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7(a) and 504 Fees Effective On October 1, 2011

Each year SBA reviews the fees payable to SBA by 7(a) participating Lenders, Certified Development Companies (CDCs), and borrowers to determine if they are sufficient to cover the estimated costs of the 7(a) and 504 loan programs. The purpose of this Notice is to announce the fees effective October 1, 2011 for 7(a) and 504 loans approved during FY 2012.

7(a) Loan Program

There will not be any changes to the 7(a) Program Fees. They will remain the same as in fiscal year 2011.

The existing 7(a) fees are:

1. The "Yearly Fee" due from Lenders to SBA is 0.55 percent (55 basis points) of the guaranteed portion of the outstanding balance on the 7(a) loan. The 7(a) Yearly Fee is imposed under Section 7(a)(23) of the Small Business Act and is referred to as the "ongoing servicing

fee" in the 7(a) Authorization Wizard.

2. The upfront guaranty fee percentage payable to SBA under Section 7(a)(18) of the Small Business Act depends on the amount of the loan. A chart for these fees may be found in SOP 50 10 5(D), Subpart B, Chapter 3, paragraph V.

504 Loan Program

For 504 loans approved on or after October 1, 2011, the following fees will be changed:

1. The "Annual Fee" paid by borrowers on an ongoing basis to SBA will be increased from 0.749 percent (93.75 basis points) of the outstanding balance of the 504 loan. The 504 Annual Fee is imposed under Section 503(b)(7) of the Small Business Investment Act.

2. The one-time guaranty fee) that SBA is authorized to charge under 13 CFR 120.971(d) will be increased from zero to .50% (50 basis points).

3. In addition to the "Annual Fee" paid in paragraph 1 above, for loans made under the Small Business Jobs Act 504 Debt Refinancing Program, borrowers will pay a supplemental fee on an ongoing basis to SBA of 0.1655%, for a total "Annual Fee" of 1.103 percent (110.3 basis points) on the outstanding balance of the 504 loan.

All other fees in the 504 loan program will be the same as in FY 2011. A complete list of 504 fees may be found in SOP 50 10 5(D), in Subpart C, Chapter 8, Allowable Fees.

Notification and Questions

These fee charges are effective October 1, 2011. SBA field offices must notify Lenders and CDC's of these changes.

Questions concerning this Notice should be directed to Steve Parker, Lead Business Development Specialist at: 307-261-6506 or email Stephen.Parker@sba.gov.

Wyoming SBA Lenders — E-tran Training & Exposure — How to Use E-tran

Don't miss this learning opportunity - Tuesday, Oct. 11th at 1:00PM Wyoming Time.

Phone & Computer - ReadyTalk -

Phone 1-866-740-1260 Code 2770106
ReadyTalk Internet connection
www.readytalk.com.

This is a must learn for lenders using



Your Small Business Resource

the delegated authority SBA programs of Express, Patriot Express, and Preferred Lender Program. SBA headquarters is putting on this training for lenders in Wyoming, and Montana. For this training you simply need to dial in the phone number and enter the code number followed by the pound sign. You will also need to go to this web page www.readytalk.com to pick up the visual

portion of the training.

Express & Patriot Express loans as of October 1st, will only be received and processed via E-tran. No more faxing allowed. All the more reason to attend this training.

Should you have any questions, please call Steve Parker at 1-307-261-6506 or Stephen.Parker@sba.gov.

STEP Initiative Will Help Small Businesses Export

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 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, sub-

scriptions 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.

E-Tran Training for Lenders

October 11, 2011

1:00pm MDT

1 hour 30 minutes

Dial-in: 866-740-1260

Access Code:
2770106

Social Media

Connect with the U.S. Small Business Administration on Facebook, Twitter and Youtube.



QuickPay

SBA Administrator Mills statement on the President's “QuickPay” announcement today to cut in half – from 30 days to 15 days – the amount of time it takes federal agencies to pay small businesses for the products and services they deliver to the federal government:

“The thousands of small businesses

that provide great products and services to the federal government have a big reason to cheer the President's ‘QuickPay’ announcement today. When small contractors get their money in 15 days instead of 30, it results in a permanent infusion of cash flow into their businesses. They can put that money to-

wards working capital, expanding their businesses, marketing their products, and creating jobs. Their financial footing gets stronger – permanently. With nearly \$100 billion each year in federal contracts going to small businesses, cutting in half the time they get paid is a powerful way to help

put America back to work now. Quick-Pay is a smart and powerful boost that effectively delivers billions more dollars into the hands of small contractors so that they can do what they do best – create jobs.”

The Bozeman Trail Steakhouse

In 2007, when The Bozeman Trail Steakhouse was put up for sale in Buffalo, Wyoming, Mandy Tuma was anxious to put together a business plan and see about a loan to purchase this well known steakhouse. Mandy felt she had good prior experience, as she had worked in the restaurant business since she was 17. She also had managed a bar in 1998 and 1999. For the last eight years she had been managing The Bozeman Trail Steakhouse and felt she knew how to manage this business and could make it a success. Much to her surprise, she could not get a loan through the local banks. The current owner of the business decided to finance the purchase price on a Contract-For-Deed (CFD) and let Mandy prove herself. In 2009, two years after purchasing the steakhouse, Mandy approached the First National Bank of Buffalo and was able to obtain an SBA 7(a) guaranty loan to pay

off the CFD. Mandy said, “When the bank closed the loan it felt like I signed my life away.”

Shortly after getting her new loan, Mandy was faced with two years of street construction, which made access to her business almost impossible. The steakhouse lost almost half of its business. In the fall of 2009, Mandy applied to First National Bank and received a \$25,000 Small Business Administration ARC loan. The ARC loan program was part of the stimulus program to help small businesses bridge the gap during tough economic times. Mandy’s banker, Travis Lawrence with First National Bank of Buffalo, stated Mandy has already repaid her ARC loan in full.

Other management obstacles overcome were keeping 25-30 employees on staff during the leaner winter months and increasing staff to 60-70 in the tourist or summer months. Mandy solved this problem utilizing col-

lege students. When school resumed in September, most of her employees returned to school, graduated, or moved on. Mandy said at first people could not believe that she was single and owned her own restaurant. Locals assumed she had a husband or family to help her with the business.

Mandy attended four years of college in Chicago as a Liberal Arts major and returned to Wyoming to complete her degree. Getting her degree was further complicated when she found that almost all of the classes she took in Chicago would not transfer. Despite these setbacks, Mandy has persevered and enjoys her new career as a business owner. She currently serves on the Boards of the Johnson County Tourism and the Buffalo Chamber of Commerce. When she can find spare time, Mandy enjoys snowmobiling.



307 261-6505



Calendar

Oct 4	Women’s Roundtable Newcastle;	Oct 13	Business Roundtable Buffalo;	Oct 19	Business Roundtable Rawlins/Wheatland;	Oct 25	Business Roundtable Worland;
Oct 5	Women’s Roundtable Casper;	Oct 13	Small Businesses Invited to FE Warren AFB;	Oct 20	Business Roundtable, Torrington;		
Oct 6	Business Roundtable Laramie/Jackson;	Oct 18	Contracting With the Forest Service and the BLM;	Oct 20	Start Your Own Business, Casper;		