

Loan Report as of April 30, 2010

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7(a) and 504 Loans Combined

Bank	Number Approvals	Dollars (In Thousands)
Huntington National Bank	182	\$32,069
KeyBank	58	\$10,499
JPMorgan Chase Bank	54	\$8,578
FirstMerit Bank	34	\$4,497
Charter One Bank/RBS Citizens	32	\$1,862

504 Loans

Bank	Number 504 Approvals
FirstMerit Bank	8
KeyBank	8
PNC Bank	8
Huntington National Bank	6
First National Bank	5
JPMorgan Chase Bank	5
Farmer's National Bank	3
Fifth Third Bank	3
Lake National Bank	3

CDC	Number 504 Approvals	Dollars (In Thousands)
Growth Capital Corp.	22	\$9,232
Cascade Capital Corp.	12	\$3,969
Lake County SBAC	9	\$2,138
Northwest Ohio Dev. Ass't.	7	\$1,876
Mahoning Valley Economic Dev. Corp.	5	\$3,395
Mentor Economic Ass't Corp.	4	\$958
Stark Development Board	4	\$570
Community Capital Dev. Corp.	2	\$1,523
West Central Partnership	2	\$1,530
Ohio Statewide	1	\$294

In News for Our Lending Partners:

- Profit from Small Business Exports
- Additional Funding Available for Fee Relief and Higher Guaranty Loans
- The 2009.1 Edition of the 504 Loan Authorization is Re-released in Microsoft Office Word 2007
- The 2009 Edition of the ARC Loan Authorization is Re-released in Microsoft Office Word 2007



SBA Administrator Karen Mills Visits Cleveland

SBA Administrator Karen Mills, Department of Transportation Deputy Secretary John Porcari, and Stuart Eisner, owner of Phoenix Steel Service, Inc. of Cleveland, Ohio held a press conference on April 2, 2010 at the Phoenix Steel Service facility to highlight how the Recovery Act has benefited the company and the Cleveland area. Gil Goldberg, District Director of the Cleveland SBA office and local SBA staff also attended and participated at the press conference.

Because of the SBA's Recovery loan program, Phoenix Steel is growing and has created five new jobs, with potential for more down the road. Phoenix Steel is a steel processing company that purchased a new \$2 million piece of equipment with an SBA 504 loan through Growth Capital and KeyBank. The company saved \$17,000 in loan fees through the SBA Recovery Act incentives.

Since the passage of the Recovery Act, SBA has approved 2,220 Recovery loans supporting over \$678 million to Ohio's small businesses. Small and disadvantaged businesses nationwide have received more than \$1.3 billion in Department of Transportation Recovery Act funding. ♦



Pictured from left to right: Joseph Williams, Executive Vice President, Phoenix Steel; Gil Goldberg, District Director, SBA Cleveland; Hayley Matz, Press Secretary to the Administrator; Administrator Mills; and Stuart Eisner, President, Phoenix Steel



Administrator Mills speaks with Katie Byard of the Akron Beacon Journal.



Attendees had the opportunity to network with each other and the presenters.

SBA Cleveland Presents at Entrepreneurs Forum

Business owners and entrepreneurs gathered at Summit Mall in Fairlawn on April 20. Summit Mall manager David Huesser and marketing director Katie Anderson welcomed the crowd for over an hour's worth of advice and conversation about starting and successfully growing a business. Presenters included Russell Vernon and Diana Bennett from the Akron SCORE chapter, Jim Griggy and Mary Ann Jasionowski from the Summit Medina Business Alliance (SBDC), and Mark Hansel from the Cleveland office of the SBA. Questions from the audience covered everything from how to market on a limited budget to cash flow projections. Many arranged follow-up meetings with SCORE and the SBDC. Both Huesser and Anderson look forward to hosting similar events in the future. ♦

SBA to Revise Format for Small Business Procurement Scorecard

The U.S. Small Business Administration is revising the format of the annual Small Business Procurement Scorecard to provide more clarity and transparency on the federal government's performance in meeting its small business contracting goals. The revised scorecard will be based on an A through F letter grade system, as opposed to the previous red, yellow, green ratings. "This revision to the Scorecard will provide greater clarity and transparency on how well each agency is doing in meeting its small business prime contracting goals," said SBA Administrator Karen Mills. "Federal contracts provide critical opportunities for small businesses to grow and create jobs. This revision builds on our ongoing efforts to strengthen the integrity of the overall process for small business contracting, while also expanding opportunities for small businesses to compete for and win federal contracts."

The revisions will appear when SBA issues its report later this year for federal contracting in fiscal year 2009. Over the past year, SBA has worked collaboratively with contracting and small business officials to develop the new system. The new system better reflects the unique needs of individual agencies while maintaining a focus on achieving the statutory small business contracting goals. The overall small business prime contracting goals have been established by Congress to ensure that small businesses get their fair share of federal contracts. The government-wide goal for prime contracts to small businesses is 23 percent of total qualified contract dollars, with additional goals of 5 percent for small disadvantaged businesses, 5 percent for women-owned businesses, 3 percent for HUBZone small businesses, and 3 percent for service-disabled veteran-owned small businesses.

SBA negotiates individual goals for each agency, while ensuring that when combined they meet the overall statutory goals for the federal government. SBA's small business procurement goal, for example, is 67.05 percent. While Scorecards will measure subcontracting activity, that information is not factored into the determination of whether the federal government meets the statutory small business prime contracting goals. The new scorecard holistically assesses an agency's entire small business procurement performance. An agency's overall grade will be comprised of three quantitative measures: prime contracts (80 percent), subcontracts (10 percent) and its progress plan for meeting goals (10 percent).

The letter grades for prime contracting and subcontracting will show an A+ for agencies that meet or exceed 120 percent of their goals, an A for those between 100 percent and 119 percent, a B for 90 to 99 percent, a C for 80 to 89 percent, a D for 70 to 79 percent and an F for less than 70 percent. In last year's Scorecard rating performance for the FY 2008 contracting year, small businesses won 21.5 percent of contract dollars, or about \$93.3 billion out of a small business-eligible base of about \$434 billion. More than half of all agencies met their individual goals. The small business eligible base for FY 2009 was about \$437 billion.

An example of the new Scorecard format can be accessed at: http://www.sba.gov/idc/groups/public/documents/sba_homepage/score_card_mock_up.pdf. ♦

SBA Recovery Lending Extended Through May

SBA Administrator Mills presses for longer-term extension for successful programs

President Barack Obama has signed legislation providing \$80 million in additional funding to continue important enhancements in the U.S. Small Business Administration's two key small business loan programs. The enhancements, first made available under the American Recovery and Reinvestment Act, include a higher guarantee on some SBA-backed loans and small business fee relief. The SBA estimates the \$80 million will support about \$2.8 billion in small business lending under the 7(a) and 504 programs.

"Small businesses across the country have been able to secure critical financing as a result of the Recovery Act loan provisions and the continued interim funding we've received for the program," said SBA Administrator Karen Mills. "The increased guarantees and reduced fees on SBA loans have generated more than \$25 billion in new loans to small business owners and brought more than 1,200 lenders back to SBA loan programs. In fact, the first two quarters of the current fiscal year have been our best two opening quarters ever for the 7(a) program, with more than \$7 billion in guaranteed loans. These programs have been successful in helping jump-start our economy, which is why we will continue to work with Congress on a longer term extension of the increased guarantee and reduced fees. We also know that small businesses could greatly benefit from the additional tools the President has proposed, including higher SBA loan limits and refinancing for commercial property mortgages, which could help thousands of small businesses avoid potential foreclosure. Small businesses need these improvements to ensure their access to the capital they need to drive economic growth and create jobs in communities all across the country."

As part of the Recovery Act enacted on Feb. 17, 2009, SBA received \$730 million to help small businesses, including \$375 million to increase the SBA guarantee on 7(a) loans to 90 percent and to reduce borrower fees on most 7(a) and 504 loans. The funds for these programs were exhausted on Nov. 23, 2009, and an additional \$125 million was provided in December. Those funds were exhausted in late February, 2010, and an additional \$60 million was provided subsequently. SBA was authorized for an additional \$40 million in late March. Under the new extension SBA may continue to reduce loan fees in its 7(a) and 504 programs and to provide higher guarantee levels on 7(a) loans through May 2010, or until the funds provided under the bill are exhausted. This extension has no effect on the continued availability of financing under other SBA Recovery Act programs, including SBA's America's Recovery Capital (ARC) loan program and the agency's Microloan program. Recovery Act funding still remains available for both of those programs. ♦

NEWS FOR OUR LENDING PARTNERS

Profit from Small Business Exports

In today's highly competitive and ever-changing, global business environment, lenders must be prepared to handle the varying needs of their clients. The president's National Export Initiative is encouraging and supporting small businesses to grow their businesses, and U.S. jobs, by going where nearly 96 percent of the customers are—outside the U.S.

The U.S. Small Business Administration has three exporting loan programs for small business exporters. The Export Working Capital Program can be used to help meet the needs of your clients filling orders from overseas buyers. The lender benefits of EWCP include supporting client growth; minimizing risk and accommodating customer needs; increasing fee income; program flexibility; increasing competitive advantage; and quick turnaround (even faster for SBA's preferred lenders).

SBA's Export Express finances loans and lines of credit up to \$250,000, and delegates the credit decision to the lender. Participating lenders can use their own forms and procedures and negotiate either a fixed or variable interest rate. The SBA provides a 36-hour turnaround on all Export Express submissions.

The International Trade Loan Program offers term loans to businesses that plan to start or continue exporting or that have been adversely affected by competition from imports. The proceeds of the loan must enable the borrower to be in a better position to compete. The program offers borrowers a maximum SBA-guaranteed portion of \$1.75 million. Funds may be used for the acquisition, construction, renovation, modernization, improvement or expansion of long-term fixed assets or the refinancing of an existing loan used for these same purposes.

Additional Funding Available for Fee Relief and Higher Guaranty Loans

On April 15, 2010, the President signed the Continuing Extension Act of 2010 (H.R. 4851) that appropriates \$80 million to fund new 7(a) and 504 loans under Sections 501 and 502 of the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"). Specifically, these funds are available for the payment of certain 7(a) and 504 loan fees and a higher SBA guaranty for eligible 7(a) loans. In addition, this legislation extends SBA's authority to provide a higher guaranty for eligible 7(a) loans to May 31, 2010.

The Recovery Loan Queue homepage will remain on the website in the "green" phase as long as funding for new Recovery loans remains readily available. Information on the Recovery Loan Queues may be found on SBA's website at: <http://www.sba.gov/recoveryq/index.html>.

Funding of Increases to Previously Approved Loans

This additional \$80 million will also be used to fund increases to previously approved 7(a) and 504 Recovery loans that were funded on or after April 1, 2010 with the supplemental funds provided by H.R. 4938. For previously approved 7(a) and 504 Recovery loans that were funded from either the original Recovery Act appropriations or the supplemental funds provided in the Department of Defense Appropriations Act, 2010 (the "DOD Appropriations bill"), requests for increases to these loans will be approved as funds become available through the cancellation of loans that were funded from the same appropriations that originally funded the loan.

For example, if a previously approved loan that was funded out of original Recovery Act appropriations needs an increase, that increase may only be funded if another previously approved loan funded out of the original Recovery Act appropriations is cancelled. A cancelled loan that was funded by the DOD Appropriations bill cannot be used to fund an increase for a loan that was originally funded with Recovery Act appropriations. As a reminder, for 7(a) and 504 Recovery loans that were funded from the appropriations provided by the Temporary Extension Act of 2010 (i.e., loans approved between March 2 and March 28, 2010), no requests for increases may be considered. If the borrower needs additional funds, a new loan application will be required.

Continuing Requirements

As a reminder, all Recovery Act requirements continue to apply to all 7(a) and 504 loans approved under sections 501 and/or 502 of the Recovery Act. This includes the requirement to document the loan file to show compliance with the particular eligibility requirements for these loans. SBA Information Notice 5000-1134, issued December 9, 2009, reminds 7(a) lenders and CDCs of the specific documentation requirements for certifications concerning the borrower's hiring practices and that no Recovery loan funds go towards financing restricted uses (swimming pools, golf courses, zoos, aquariums and casinos or other gambling establishments). Lenders and CDCs are also reminded of the requirements governing the reporting of jobs created and retained. SBA's website will be modified consistent with this Notice. *(Continued on page 5)*

News for Our Lending Partners *(Continued from page 4)*

The 2009.1 Edition of the 504 Loan Authorization is Re-released in Microsoft Office Word 2007

SBA announces the re-release of the 2009.1 edition of the National 504 Loan Authorization (which is the Boilerplate and Wizard). This 2009.1 edition of the Authorization was originally released on June 24, 2009, and was programmed so that it would function in Microsoft Office Word 2003. The re-released 2009.1 edition of the Authorization has been programmed to function in Microsoft Office Word 2007 (12). As a result, there will be two editions of the 2009.1 Authorization for 504 loans available to all users on the SBA website.

The 2009.1 edition of the National 504 Loan Authorization created for Microsoft Word 2007 will be available at www.sba.gov beginning on the effective date of this Notice. Participants with Word 2007 capabilities can begin using the re-released 2009.1 edition immediately. The Authorization webpage address to find either edition of the National 504 Loan Authorization is:

http://www.sba.gov/aboutsba/sbaprograms/elending/authorizations/BANK_STAND_NAT_504_LOAN_AUTH.html

Future changes to the Wizard and Boilerplate so the terms, conditions, and processes conform to the current SOPs will be made when the 2010 editions are issued.

The 2009 Edition of the ARC Loan Authorization is Re-released in Microsoft Office Word 2007

SBA announces the re-release of the 2009 edition of the National ARC Loan Authorization (which is the Boilerplate and Wizard). This 2009 edition of the Authorization was originally released on June 15, 2009, and was programmed so that it would function in Microsoft Office Word 2003. The re-released 2009 edition of the Authorization has been programmed to function in Microsoft Office Word 2007 (12). As a result, there will be two editions of the 2009 Authorization for ARC loans available to all users on the SBA website.

The 2009 edition of the National ARC Loan Authorization created for Microsoft Word 2007 will be available at www.sba.gov beginning on the effective date of this Notice. Participants with Word 2007 capabilities can begin using the re-released 2009 edition immediately. The Authorization webpage address to find either edition of the National ARC Loan Authorization is:

http://www.sba.gov/aboutsba/sbaprograms/elending/authorizations/BANK_AUTH_ARC_LOAN.html

If you have any questions on this or any SBA loan matter, please contact our Lender Relations division at (216) 522-4180. ♦

Take Your Business Global

Many small businesses think they aren't large enough to compete in the world marketplace. In fact, 97 percent of all exporters are small businesses. To grow your business, you need to think outside the box and outside the borders.

Today, nearly 96 percent of the world's population lives outside the U.S. Two-thirds of the world's purchasing power is in foreign countries. Luz Hopewell, director of the U.S. Small Business Administration's Office of International Trade, said "Small businesses have a great opportunity to boost sales and profit by exporting, and that will lead to more American jobs and growth."

The advantages of exporting include the competitive edge for high-quality, innovative U.S. goods and services; an increase in purchasing power in foreign markets resulting from a decline in the exchange rate; reduced dependence on the domestic market; stabilized seasonal market and sales fluctuations; and a reduction in trade barriers.

The U.S. Small Business Administration and other government agencies provide specific export counseling and training programs; will help you identify foreign markets; and can assist with export financing and credit insurance. SBA, the U.S. Commerce Department and the U.S. Export-Import Bank are co-located in many local communities at the one-stop U.S. Export Assistance Centers.

For more information on how SBA and our government partners can help you take your business global, go to www.sba.gov, www.export.gov or call 1-800-USA-TRADE. ♦

SBA Lender Relations Specialist Speaks at Liberian Association Meeting

SBA Cleveland District Lender Relations Specialist Tim Enschr spoke at the Liberian Association of Cleveland meeting held at Calvary Lutheran Church, East Cleveland, on Sunday, March 28. Tim informed the group about various SBA loan programs and services, along with current SBA Recovery Act loan incentives. The Liberian community is primarily comprised of individuals who have recently immigrated to the United States from Liberia, a West African state.

One of the goals of the Association is to provide business related information to its members, so they can improve their economic strength through business ownership. The Liberian group is striving to use SBA loan programs and counseling through SCORE and Small Business Development Centers to help take the first step toward successful business ownership. ♦



Cleveland SBA Lender Relations Specialist Tim Enschr (seated center) and members of the Liberian Association.

SBA Warns Small Businesses of Fraudulent Attempts Offering to Help Them Secure SBA Loans

The U.S. Small Business Administration (SBA) is warning small businesses to use caution if they are contacted by firms offering to help them apply for funds available through SBA programs. SBA and SBA's Office of the Inspector General (SBA OIG) have received several complaints from small businesses about abusive marketing practices, scams, and exorbitant fees charged by firms offering to help them obtain a loan, grant, or other federal funds, from SBA.

Some of these complaints include:

- Firms charging small businesses high fees to provide assistance applying to SBA funding programs. Some firms allegedly guaranteed that the small business would obtain SBA funding if they paid the fee. SBA does not endorse or give preference to specific private companies or their clients.
- Firms charging small businesses for services never requested after the small business gave bank account and routing information to a caller claiming to be a firm offering assistance. SBA recommends that small businesses never provide social security numbers, bank account information, or credit card numbers to anyone; and, never over the telephone.
- Firms alleging that a small business would be issued a "forfeiture letter" that would make the small business ineligible for any SBA funding for three years if the small business refused to use the firm's services.

When electing to use a third party to apply for SBA funding programs, small businesses should also bear in mind:

- Small businesses can get free assistance in person or by calling one of SBA's 68 District Offices and from information on SBA's Web site (www.sba.gov). They can also get assistance from Small Business Development Centers, Women's Business Centers, Veterans Business Outreach Centers and SCORE Chapters, either free or for a reasonable fee. Location and contact information for the centers can be found on SBA's Web site.
- Small businesses should ask for references and confer with trusted colleagues and institutions, such as the Better Business Bureau, when selecting service providers.
- Small businesses should clearly establish and document: 1) What they are being charged; 2) When they will be charged; 3) What they must do; and 4) What services they will receive.

SBA's Office of the Inspector General will investigate and respond to all complaints. SBA encourages anyone with knowledge of a misrepresentation regarding SBA Business Loan Programs, or any other SBA program, to contact SBA OIG by calling the OIG Hotline toll-free at (800) 767-0385, or submitting an online report at the SBA OIG Web page (www.sba.gov/ig), and click the link for "Report Fraud Waste or Abuse." ♦



U.S. Small Business Administration
Office of 8(a) Business Development
7(j) Management & Technical Assistance Program

PROPOSAL PREPARATION



Topics Include:

- 1. Source Selection Process
- 2. Key Documentation in a Competition
- 3. Request for Proposal (RFP) Structure
- 4. Proposal Preparation Process – Technical and Cost Proposals
- 5. Proposal Review Process

DATE: June 15, 2010
TIME: 8:30 AM – 5 PM
LOCATION: US Bank Building, Lower Level Auditorium
1350 Euclid Avenue, Cleveland OH 44115

For More Information Contact: Phyllis Embree or Chris Strudthoff
sbeworkshops@stoverteam.com Phone: 770-423-9888

SBA District Office Contact: **Jim Duffy 216-522-4169**

There is No Cost for 7(j) eligible businesses to include 8(a) participants. For More Details and Registration Go to: <http://sbaworkshops.stoverteam.com>

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