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Loan Report as of September 30, 2009

7(a) and 504 Loans Combined

Bank	Number Approvals	Dollars (In Thousands)
Huntington National Bank	201	\$26,030
FirstMerit Bank	69	\$13,512
Charter One Bank/RBS Citizens	67	\$4,136
KeyBank	67	\$15,118
National City Bank	59	\$12,361

504 Loans

Bank	Number 504 Approvals
National City Bank	20
FirstMerit Bank	15
Fifth Third Bank	7
Huntington National Bank	7
First Federal Bank	5
JPMorgan Chase Bank	5
KeyBank	5

CDC	Number 504 Approvals	Dollars (In Thousands)
Growth Capital Corp.	42	\$12,149
Cascade Capital Corp.	24	\$10,724
Lake County SBAC	14	\$6,516
Northwest Ohio Dev. Ass't.	10	\$6,231
West Central Partnership	5	\$7,189
Mahoning Valley Economic Dev. Corp.	3	\$1,794
Stark Development Board	3	\$2,013
Horizon Certified Dev. Co.	1	\$1,172
Mentor Economic Ass't. Corp.	1	\$194
Ohio Statewide	1	\$250
SEM Resource, Inc.	1	\$1,732

NEWS FOR OUR LENDING PARTNERS

Issuance of SOP 50 10 5(B) – Lender and Development Company Loan Programs

The Office of Financial Assistance recently announced the publication of an update to the Standard Operating Procedure (SOP) 50 10 5. This update to the SOP will be known as SOP 50 10 5(B) and will be effective on October 1, 2009. This version of the SOP will apply to all applications received by SBA on or after October 1, 2009.

As with previous editions of SOP 50 10 5, SBA will post two versions on the web site. The first version will show all changes as “tracked changes” to enable users to more easily identify what has been modified. (As a note, the Table of Contents and all of the hyperlinks have been updated but, for ease of viewing, those changes are not shown.) The second version incorporates all of the changes into the document. The revised SOP may be found at <http://www.sba.gov/aboutsba/sbaprograms/elending/reg/index.html>.

SOP Update Process

The Agency has determined that updating the SOP every six months is no longer necessary. Thus, the next update of SOP 50 10 5 will be published in 12 months.

7(a) Fees and 504 Fees Effective On October 1, 2009

Each year SBA reviews the fees payable to SBA by 7(a) participating lenders (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, 2009, for both programs for loans approved during FY 2010.

7(a) Loan Program

For 7(a) loans approved on or after October 1, 2009, the “Yearly Fee” due from Lenders to SBA will be 0.55 percent (55 basis points) of the guaranteed portion of the outstanding balance on the 7(a) loan. This fee remains the same as for FY 2009. The 7(a) Yearly Fee is imposed under Section 7(a)(23) of the Small Business Act and is referred to as the “ongoing service fee” in the 7(a) Authorization Wizard.

All other fees in the 7(a) loan program will be the same as for FY 2009. A description of these fees may be found in SOP 50 10 5.

504 Loan Program

For 504 loans approved on or after October 1, 2009, the “Annual Fee” paid by borrowers on an ongoing basis to SBA will be increased from zero percent to 0.389 percent (38.9 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.

All other fees in the 504 loan program will be the same as for FY 2009, including the one-time guaranty fee that SBA is authorized to charge under Section 503(d)(1) of the Small Business Investment Act (which remains at zero). A description of these fees may be found in SOP 50 10 5.

Recovery Act Loans

Fees for 7(a) and 504 loans made under the American Recovery and Reinvestment Act will continue to follow the policies in the Federal Register Notices of June 8, 2009 (Business Loan Program Temporary Eliminations/Reductions in Fees, 74 FR 27196)(Business Loan Program Temporary Increased Guaranty Percentage, 74 FR 27199).

New CPC Tabs Available on the NGPC website

The SBA’s National Guaranty Purchase Center (NGPC) would like to announce the creation and posting of a 7-tab system for submitting Care and Preservation of Collateral Expense Reimbursement requests. Please visit the website at http://www.sba.gov/idc/groups/public/documents/sba_program_office/cpc_tabs.pdf to view and use the new tabs. If you are requesting reimbursement of expenses during the guaranty purchase process, please use the 7-tab system as described on tab 10 of the 10-tab purchase system.

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

Recovery Act Highlighted at Lodi and Burton Chambers of Commerce

Cleveland SBA District Director Gil Goldberg was the guest speaker in September at both the Lodi Chamber of Commerce luncheon meeting in Medina County and the Burton Chamber meeting in Geauga County.

Mr. Goldberg informed the chamber members about the American Recovery and Reinvestment Act and how the SBA's new and enhanced loan programs and incentives from the Recovery Act can help small business owners survive and prosper in the current challenging economic conditions.

The Chamber of Commerce members from both the Lodi and Burton Chambers listened intently to the details of the Recovery Act and asked questions about the SBA programs/services and the powerful new program tools the SBA offers to help jumpstart the economy, like the 90% SBA guaranteed loans (with the upfront fees waived), and the 100% guaranteed ARC loan program. ♦



SBA Cleveland District Office District Director Gil Goldberg speaks to the Lodi, Ohio Chamber of Commerce



District Director Gil Goldberg speaks to the Burton, Ohio Chamber of Commerce.



WANTED: National Small Business Week Nominees

In recognition of the small business community's contribution to the American economy, the President of the United States designates one week each year as National Small Business Week. As part of this special week, SBA presents awards to deserving entrepreneurs and small business champions/advocates at the district, state and national levels. We are already beginning our preparations for Small Business Week '10, but we need your help making the week a success! We are seeking nominees for the awards that will be distributed during Small Business Week.

If you know of someone deserving of consideration for these prestigious awards, please contact Jim Donato at (216) 522-4180, ext. 215. Jim can provide details of the nomination process. We hope to accept applications for various award categories, including Small Business Person of the Year, Small Business Exporter of the Year, Financial Services Champion of the Year, Minority Small Business Champion of the Year, Women in Business Champion of the Year, Veteran Small Business Champion of the Year, SBA Family-owned Small Business of the Year, and others.

We know we have great small businesses and small business champions here in the area – let's see if we can get one recognized at the National level during Small Business Week '10!!! ♦

Study Highlights Importance of Specialized Education for Future Innovative Entrepreneurs

Entrepreneurship education is becoming more available at American universities, and researchers are looking at the results, according to a new study supported by the SBA Office of Advocacy. The study is based on initial findings from a survey funded with a challenge grant from the Ewing Marion Kauffman Foundation to the Berkley Center for Entrepreneurial Studies of New York University. Students who took an entrepreneurship class were more likely to have engaged in three types of "innovation": offering new products or services, obtaining patents or copyrights, and using production techniques that differ from those of the industry's main competitor. Not surprisingly, graduates who have taken such courses are significantly more likely to select careers in entrepreneurship.

Results suggest that there is a strong correlation between respondents having taken an entrepreneurial course and their self-reported skill in identifying new business-related opportunities. The researchers hope additional data will help instructors identify educational approaches to train prospective innovative entrepreneurs by helping them identify promising technological developments and other opportunities for innovation. The study is based on a pilot survey of students at five universities conducted in April and June 2008. Lessons learned in this analysis will be incorporated in future surveys, which will include additional universities in the United States and elsewhere. The full study is available online at www.sba.gov/advo/. ♦

SBA Administrator announces availability of H1N1 Preparedness Guide for Small Businesses

Small Business Administration Administrator Karen Mills and Department of Homeland Security Secretary Janet Napolitano have announced the availability of a preparedness guide designed to assist small businesses in planning for the possibility of an H1N1 flu outbreak this fall. During a call with reporters Mills made clear the importance of flu preparedness for small businesses.

"Small Business owners should take the time to create a plan, talk with their employees and make sure they are prepared for flu season," said Mills. "For countless small businesses, having even one or two employees out for a few days has the potential to negatively impact operations and their bottom line. A thoughtful plan will help keep employees and their families healthy, as well as protect small businesses and local economies."

Outbreaks of H1N1 flu are occurring now across the country and will likely coincide with the return of seasonal flu this fall and winter. The preparedness guide offers small business employers tools and information to help them plan for and respond flexibly to varying levels of severity of an H1N1 outbreak—which may lead to increased absenteeism, and, if the outbreak becomes more severe, may include restricted service capabilities and supply chain disruptions.

Employers are encouraged to put strategies in place now to protect their employees and their businesses in advance of the fall flu season. Included in the preparedness guide are tips on how to write a continuity of operations plan, steps for keeping employees healthy, frequently asked questions about the 2009 H1N1 flu and a list of additional resources that employers can access online.

To download the booklet please visit www.sba.gov/flu ♦