

# Small Business Administration

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## MAINE NEWS

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In this issue:

Letter from SBA Administrator Karen Mills	1
The New SBA.gov	2
Expiration of Small Business Jobs Act Loan Enhancements	2
Small Business and the Affordable Health Care Act	3
SBA Now on Facebook & Twitter	3
Government Contracting News Briefs	4
FY 2011 Loan Volume Report—1st Quarter	5

The New  
SBA.Gov,  
Launched  
December  
2010



See Page 2

Dear Small Business Owner,

As I've traveled the country this past year, I have heard from many of you who are looking forward to the new tax credits, health insurance exchanges, and other tools that will help you provide health insurance coverage to your employees as a result of the Affordable Care Act.

The most immediate benefit of the new law is a tax credit that will help America's smallest employers and nonprofit organizations (less than 25 full-time equivalent employees with average annual wages below \$50,000) who have been hit hardest by premium increases in recent years. **I'm pleased to announce that the Administration is releasing a one-page form and instructions ([available here](#)) on how to claim this credit for the 2010 tax year.** In addition, new guidance released today answers questions that many of you have asked related to: your current contribution arrangements, eligibility for certain religious institutions, and participation by multiemployer health and welfare plans. In each case, the Administration has worked to ensure that a broad range of small businesses can qualify.

These credits are available for tax years 2010 through 2013 and for any two years after that. Through 2013, the maximum tax credit is 35 percent of premiums paid by small employers and 25 percent for eligible tax-exempt organizations. Beginning in 2014, those levels increase to 50 percent and 35 percent, respectively. Importantly, these credits are just one of many benefits in the Affordable Care Act. Most notably, in 2014, firms with up to 100 workers will be able to pool their buying power and reduce their administrative costs by purchasing coverage through a health insurance exchange.

Finally, the new law strengthens America's entrepreneurial spirit, overall. For example, it outlaws discrimination against those with pre-existing conditions, giving more Americans the ability to break out of "job lock" and start their own companies. The new law also prohibits insurance companies from dramatically increasing premiums for a small business just because one worker gets sick.

Overall, the Affordable Care Act is a critical tool that will help millions of small business owners provide health insurance to people who you often consider to be members of your extended family – your employees. As a nation, we owe you nothing less as you work to grow, create jobs, and lead us toward full economic recovery.

Warm regards,

Karen Mills  
SBA Administrator



## THE NEW SBA.GOV: MORE TOOLS, SERVICES & ANSWERS

Something's brewing over at the Small Business Administration (SBA), and it's good news for small business.

In December, the SBA re-launched the SBA.gov Web site.

Complete with bells and whistles, the new SBA.gov will provide small business owners and entrepreneurs with an interactive and customizable online experience that will serve up the targeted resources they need to help them succeed in business and create jobs.

If you've ever browsed the SBA.gov Web site – in its current form – you'll know that the site has traditionally functioned as a repository of valuable information about SBA programs and services. However, the site relied heavily on non-search engine friendly PDF documents to communicate content, making it a little harder than it might otherwise be for small business owners to find the information they needed.

The new SBA.gov will also feature a “For Lender” portal for the SBA Lender.

Community. It will feature an SBA Lender Toolkit, Find a Lender Relations Specialist and Lender News to name a few. The portal will be launched by the beginning of 2011.

To get a taste of what is to come, visit [www.sba.gov/next](http://www.sba.gov/next), the SBA’s micro site that explains the vision behind the re-launch, as well as the benefits it hopes to provide to small business owners and the extended community of financial lending institutions.



SBA Direct– A new dynamic web tool that will allow users to personalize their experience will be launched on the new SBA.gov in December.

### **IMPORTANT NOTICE**

#### **Expiration of Temporary Small Business Jobs Act Loan Enhancements and Re-activation of the Loan Queues**

The Small Business Administration has finalized plans for transitioning from SBA loans with temporary enhancements provided under the Small Business Jobs Act of 2010 to SBA loans with applicable fees and guaranty percentages.

The Small Business Jobs Act appropriations are now exhausted and the loans that could not be funded have been placed in the Small Business Jobs Act Loan Queues. These conditionally approved applications and requests for increases will be finally approved by SBA (as evidenced by the issuance of an SBA loan number) as funds become available. Funds periodically become available when previously-approved 7(a) and 504 Small Business Jobs Act loans are cancelled, thus freeing up the appropriations allocated to those loans. At any time while waiting in the Queue, an application may choose to withdraw its application from the Queue and re-submit it as a non-Small Business Jobs Act loan with applicable fees and guaranty percentages.

In addition, based on the number of conditionally approved applications and requests for increases that are already in the Small Business Jobs Act Loan Queues, the anticipated demand, and the projected cancellation rate, SBA will no longer accept Small Business Jobs Act loan applications (both delegated and non-delegated submissions) or requests for increases to previously approved Small Business Jobs Act loans. This went into effect 11:00 p.m. EST on January 4, 2011. For applications and increase requests received by SBA after this deadline, SBA will contact the lender or CDC as to whether they want SBA to process the application as a non-Small Business Jobs Act loan with application fees and guaranty percentages or to withdraw the loan application entirely.

### Small Business and the Affordable Health Care Act

The new health reform law – the Affordable Care Act – provides both affordable health insurance coverage and tax relief for small businesses. First, it offers tax credits for small employers who pay at least half of their employees’ health insurance premiums. Starting this year, businesses with fewer than 25 employees who make an average of \$50,000 or less may be eligible for a credit of up to 35 percent of the premiums they pay on their employee’s behalf.

In 2014, that credit will increase to up to 50 percent. Also in 2014, health insurance “exchanges” for small businesses will open in every state. Currently, small businesses pay as much as 18 percent more than large firms for the same coverage. The exchanges will allow businesses with as many as 100 employees to pool their risk together, lower their administrative costs and negotiate more effectively with insurance companies. This could help drive down premiums by as much as 4 percent in the marketplace of small-business health plans.

Even if a small business owner with 50 or fewer employees still decides not to buy health insurance, there is no penalty. In this case, small business workers will be able to use individual tax credits to shop for insurance in the exchanges. And it’s important to note that 96 percent of businesses with more than 50 employees already offer coverage. For more information about how the Affordable Care Act will help small business, visit [www.healthcare.gov](http://www.healthcare.gov).

#### SBA Now on Facebook and Twitter

Recently, the SBA announced an expanded online presence with the creation of Twitter accounts and Facebook pages devoted to its 10 regional offices throughout the country.

With the expansion to its regional offices, the SBA is trying to reach more businesses with locale-specific information enhancing efforts to ensure entrepreneurs have access to the tools and information they need to start and grow their small business and create jobs.

Find us at:

**Region I – New England**

Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont

[Twitter](#)

[Facebook](#)

### **Government Contracting News Briefs**

1. Effective September 30, 2010 FAR 19.10 was amended to repeal the Small Business Competitiveness Demonstration program, to meet the requirements of Section 1335 of the Small Business Jobs Act of 2010. The repeal of this program allows small business the opportunity to compete within the designated industry groups which includes Construction (except Dredging) Heavy and Civil Engineering Construction, Specialty Trade Contractors (i.e. electrical contractors, roofing, masonry, etc), non-nuclear ship repairs, architectural/engineering (including surveying and mapping, Refuse Systems and related services and Landscaping and Pest Control Services. The previous law allowed for all solicitations with an estimated contract value over \$30,000 to be advertised and awarded on an unrestricted basis. The repeal of this program will allow small businesses in these industries a better opportunity to compete for contract awards.
2. Public Law 108-183, The Veterans Benefits Act of 2003 signed by President Bush on December 16, 2003 allows contracting officers to restrict competition to small business concerns owned and controlled by Service Disabled Veterans. The government-wide goal for award of contracts to service-disabled veteran owned business is 3%, except for the Department of Veterans Affairs (VA) which established a 7% goal. In order to qualify for award as a Service-Disabled Veteran business the company has to be 51% controlled by a service-disabled veteran, must be registered in the Central Contractor Registration (CCR) at <http://www.ccr.gov> and at VetBiz at <http://www.vetbiz.gov>. This set-aside program does not apply to orders placed against GSA contracts or other existing contracts, but the status can be considered when the contracting officer is developing the evaluation factors for solicitation. More information on this program can be found at the Vetbiz website or by contacting the Small Business Administration.
3. Effective September 30, 2010, the Small Business Jobs Act of 2010 clarified the relationship (parity) between the small business programs. The language reaffirmed that the contracting officer has the authority to determine, based upon the needs of the government, which small business program to use and the contracting officer may set-aside a procurement either as a HUBZone, 8(a), Service-Disabled Veteran Owned Business or Woman-Owned Small Business in no particular hierarchy or order.
4. [www.USASpending.gov](http://www.USASpending.gov) was established in 2007 to show more transparency in government contracting. This website has a wealth of information to include whom contracts are awarded to, the value of the contracts and a synopsis of what was purchased. This website is searchable and is accessible at no cost to the public.

The SBA has Procurement Center Representatives (PCR) assigned to government contracting offices and major buying activities. The PCR'S increase the small business share of federal procurement awards by:

- Initiating small business set-asides,
- Reserving procurements for competition among small business firms,
- Providing small business sources to Federal buying activities, and
- Counseling small business firms

In addition, PCRs advocate for the breakout of items for full and open competition to affect savings to the federal government.

The PCR for Maine, New Hampshire and Vermont is Keith Waye and he can be reached at (207) 622-8774 or via e-mail at [keith.waye@sba.gov](mailto:keith.waye@sba.gov).

## 1st Quarter Loan Volume Report for Fiscal Year 2011

MAINE DISTRICT OFFICE						
FY 2010 LOAN VOLUME BY BANK AS OF DECEMBER 31, 2010						
NAME OF LENDER	TOTAL LOANS	7a	504	TOTAL 7a \$\$\$	3rd Party 504 \$\$\$	Total 7a & 3rd Party
Bangor Savings Bank (PLP Express)	28	23	5	\$3,182,800	\$3,824,250	\$7,007,050
Machias Savings Bank (PLP Express)	16	16		\$3,766,100		
Northeast Bank (PLP Express)	16	16		\$3,402,700		
People's United Bank(PLP Express)	13	13		\$4,281,600		
KeyBank, NA (PLP Express)	10	9	1	\$2,308,000	\$215,000	\$2,523,000
TD Bank (PLP Express)	9	7	2	\$2,376,000	\$400,750	\$2,776,750
Bar Harbor Bank & Trust (Express)	8	8		\$1,625,000		
Superior Financial Group, LLC	8	8		\$77,500		
Androscoggin Savings Bank (Express)	7	5	2	\$2,215,000	\$1,050,000	\$3,265,000
Camden National Bank (Express)	5	3	2	\$314,100	\$1,070,000	\$1,384,100
Katahdin Trust Company (Express)	4	4		\$1,362,000		
Northway Bank	4	4		\$1,035,000		
Bath Savings Institution (Express)	4	4		\$369,000		
Saco & Biddeford Savings Inst. (Express)	4	4		\$174,000		
Kennebunk Savings Bank	3	1	2	\$366,000	\$1,288,824	\$1,654,824
Franklin Savings Bank (Express)	3	3		\$122,000		
Atlantic Regional FCU (Express)	3	3		\$94,000		
Savings Bank of Maine	2	1	1	\$951,400	\$402,971	\$1,354,371
Centrix Bank & Trust	2	1	1	\$20,000	\$122,500	\$142,500
University Credit Union	2	2		\$45,000		
Bank America, N.A.	1	1		\$2,625,000		
Charles River Bank	1		1		\$415,000	
Norstate FCU (Express)	1	1		\$350,000		
Skowhegan Savings Bank	1		1		\$333,850	\$333,850
The First, NA	1		1		\$212,500	
Gorham Savings Bank	1		1		\$160,000	\$160,000
Norway Savings Bank (Express)	1	1		\$24,300		
Biddeford Savings Bank (Express)	1	1		\$20,000		
<b>TOTALS</b>	<b>159</b>	<b>139</b>	<b>20</b>	<b>\$31,106,500</b>	<b>\$9,495,645</b>	<b>\$20,601,445</b>
NAME OF CDC			504 Loans	Total Amount		
Granite State Eco. Dev. Corp.			15	\$5,755,000		
Coastal Enterprises, Inc.			4	\$749,000		
Eastern Maine Dev. Corp.			1	\$406,000		
		<b>Totals</b>	<b>20</b>	<b>\$6,910,000</b>		
MicroLoans for FY2011		<b>Totals</b>	<b>8</b>	<b>\$217,390</b>		
<b>Grand Total 7(a), 504 &amp; Microloans</b>	<b>167</b>		<b>\$38,233,890</b>			