

SBA NEW JERSEY

1st Quarter - Issue 1
 December 2010

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About SBA New Jersey

SBA New Jersey is a quarterly newsletter written and distributed by the U.S. Small Business Administration's New Jersey District Office.

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Helping small businesses **start, grow** and **succeed**.



Your Small Business Resource

Small Business Jobs Act has SBA Off to a Fast Start

The U.S. Small Business Administration's New Jersey District Office is off to a fast start. Just one month after the passage of the Small Business Jobs Act of 2010, the agency is reporting a 17 percent increase in the number of loan approvals and a 45 percent increase in the dollars that state small business owners received in October.

"SBA has approved 299 loans for \$146 million during the first two months of fiscal 2011. Last year at this same time the New Jersey District Office approved 254 loans for \$100.5 million," said SBA's Region II Regional Administrator Jorge Silva-Puras

"There is no doubt that the Small Business Jobs Act of 2010 is fueling this surge in lending," said Silva-Puras. "When you are putting an additional \$46 million dollars into the hands of small business owners, than you did a year ago, then something has to be working. Over the next month I will be encouraging lenders and small business owners throughout our region to take advantage of incentives that will be available through December 31, 2010."



Small Business Jobs Act—SBA's Regional Administrator Jorge Silva-Puras joins Senator Robert Menendez (left) in promoting the Small Business Jobs Act of 2010 to small business owners at a press conference held at the Richard Stockton College Small Business Development Center in Atlantic City. Since the bill was signed by President Obama on September 27, 2010, the number of SBA loan approvals to New Jersey small business owners has increased by 65 percent.

The incentives provide lenders with a 90 percent guarantee on most SBA loans and allow borrowers to waive fees associated with SBA loans. In addition to these incentives, the Small Business Jobs Act increases SBA lending amounts from \$2 million to \$5 million for its 7(a) guarantee loan program. Under SBA's 504 loan program, the amount that manufacturers can borrow has increased from \$4 million to \$5.5 million and the maximum amount on SBA microloans has increased from \$35,000 to \$50,000.

Silva-Puras also noted that all 21 counties in New Jersey had at least one loan approval during the first two months of fiscal year 2011 and that Atlantic, Burlington, Hudson, Hunterdon, Middlesex, Somerset and Ocean Counties saw significant increases in SBA loan approvals during that time. "There's a lot more work for us to do, but this is an encouraging sign that recovery is reaching the majority of the counties in New Jersey," said Silva-Puras.

TD Bank is Top SBA Lender in New Jersey for 2010

For the second consecutive year, TD Bank, NA was recognized by the U.S. Small Business Administration's New Jersey District Office for approving the most loans to New Jersey small business owners during the agency's fiscal year 2010 (the period from October 1, 2009 through September 30, 2010). The Cherry Hill-based lender approved 154 SBA loans for \$41.7 million to New Jersey small business owners.

For its efforts, **TD Bank, NA** received SBA's **Diamond Award** at the SBA's Annual Lenders' Awards Ceremony held at the Newark Club in downtown Newark. This year's ceremony was hosted by Bank of America Merrill Lynch.

SBA New Jersey District Director James A. Kocsi said, "I am pleased to recognize TD Bank for their strong commitment to making capital available to New Jersey small business owners. TD Bank recognizes that small business growth is a vital component of our economy, and they are doing their best to meet the demand for loans from the small businesses in our state."

"While much of the credit for SBA's lending to small businesses belongs to **TD Bank** and the 12 other lenders that we are recognizing for their accomplishments in providing small firms with capital to grow," said Kocsi, "we thank all of our participating lenders who have



TD is Tops in 2010—SBA's New Jersey District Director, James A. Kocsi (left), SBA's Assistant District for Lender Relations, William C. Boone (2nd from right) and SBA's Regional Administrator Jorge Silva-Puras (3rd from right) honored members of the TD Bank team with SBA's Diamond Award for approving the most SBA loans during fiscal year 2010. TD bank approved 154 loans for \$41.7 million.

used our programs to help small business owners throughout New Jersey."

"During fiscal year 2010, New Jersey small business owners received 1,320 SBA-backed loans for \$459.8 million," said Kocsi.

"That's an 18 percent increase in loans and a 36 percent increase in dollars over fiscal year 2009. There is no doubt that the provisions under the American Recovery and Reinvestment Act and the recent passage of the Small Business Jobs Act of 2010 are fueling an increase in SBA lending."

"Providing our lenders with a 90 percent guarantee and waiving fees for our borrowers through December 31st is helping us to get more capital into the hands of small business owners," said Kocsi.

"These enhancements to our loan programs along with the permanent increases in SBA loan limits are creating a strong demand for all SBA loan programs."

This year, SBA awarded one Silver Award to a lender approving be-

tween 75 and 124 loans throughout the year. **JPMorgan Chase Bank** of Manhattan received a Silver Award for approving 81 loans for \$11.3 million.

Nine Bronze Awards were presented to lenders approving between 50 and 74 loans. Those receiving the awards were: **BNB Bank** of Fort Lee for approving 70 loans for \$38.8 million; **Superior Financial** of Walnut Creek, CA approved 59 loans for \$675,000; **Regional Business Assistance Corporation** of Mercerville approved 58 for \$22.1 million; **Cooperative Business Assistance Corporation** of Camden approved 58 loans for \$1.2 million; **PNC Bank** of Pittsburg, PA approved 56 loans for \$23.8 million; **New Jersey Business Finance Corp.** of Fort Lee approved 55 loans for \$47.8 million; **Wells Fargo Bank** of San Francisco, CA approved 52 loans for \$19 million; **Metro Bank** of Harrisburg, PA approved 50 loans for \$40.8 million and **Sovereign Bank** of Boston, MA approved 50 loans for \$2.7 million.

Six District Director Awards were presented to the following lenders: **New Jersey Business Finance Corp.** was recognized for being the **#1 lender in Total Dollars**, by approving \$47.8 million in loans; **Bank of America** was recognized for being the **#1 participating lender in the 504 Loan Program** with 11 first mortgage loans for \$9.3 million. **Breakthrough Lender** awards went to **Metro Bank** with 50 loans for \$40.8 million and **Indus American Bank** of Edison with 35 loans for \$18.8 million. **TD Bank** was also recognized for being **#1 in Veteran-Owned Business Loans**, approving seven loans for \$1.5 million; and the **Cooperative Business Assistance Corporation** also received an **SBA District Director Award** for being **SBA's #1 MicroLoan Intermediary**, approving 58 SBA MicroLoans for \$1.2 million.

"We appreciate the lenders who participate in our lending programs and help us to promote economic development and job growth in New Jersey," said Kocsi. "This is our way of recognizing them for a job well done."

SBA Backs Repeal of 1099 Reporting Requirements

In an open letter to small business owners, SBA Administrator Karen Mills described requirements that small businesses report all transactions greater than \$600 as “burdensome,” and called for their repeal. Mills said the reporting requirements in the Affordable Care Act, which were to have begun in 2012, add up to “too much paperwork, too much filing.”

The text of the letter, which is posted on the SBA Website at <http://www.sba.gov/1099letter/>, follows:

Dear Small Business Owner,

I'm writing to update you on the progress that we have made regarding concerns stemming from the expanded 1099 reporting requirement in the Affordable Care Act, which could affect small businesses starting with 2012 purchases and 2013 filings.

The SBA and the Administration support the Small Business Paperwork Relief Act (introduced by Senator Baucus) which would repeal this provision.

As President Obama said on Nov. 3: “the 1099 provision in the health care bill appears to be too burdensome for small businesses. It just involves too much paperwork, too much filing. It’s probably counterproductive.” Our support for the Small Business Paperwork Relief Act also follows the Administration’s support in September for Senate Amendment 45952 (offered by Senator Bill Nelson), which would have relaxed the reporting requirement.

All businesses that pay another individual or business \$600 or more for goods or services starting in 2012 will be required to issue 1099s. The unintended consequence of a potential paperwork burden resulting from this provision quickly came to light, and we im-

mediately began working across the Administration to reduce the burden of these potential future reporting requirements, as I noted in a letter to small businesses in May. We gathered feedback and comments from the small business community through roundtables, forums, and other feedback mechanisms involving outreach from the SBA, the Treasury Department, the I.R.S. and others.

Importantly, the repeal of this provision through the Small Business Paperwork Relief Act will not **adversely** affect the Affordable Care Act, which provides important health care benefits to millions of Americans. Small businesses are already taking advantage of the new tax credits for providing health insurance to employees this year, and future benefits such as the insurance exchanges in 2013 will provide small businesses with more negotiating power and reduced administrative costs.

Thank you for the input and feedback that many of you have provided on the impact that the expanded 1099 reporting requirement could have on your business. Overall, with your help, we will continue to ensure that America’s entrepreneurs and small business owners operate in an environment not burdened by excessive regulation, allowing you to continue doing what you do best: grow businesses, create jobs and lead America’s economic recovery.

Sincerely,
Karen Mills
SBA Administrator

IRS Looks to Help with Health Care Tax Credit

An IRS tax credit is available to small employers that pay at least half of the premiums for single health insurance coverage for their employees. It is specifically targeted to help small businesses and tax-exempt organizations that primarily employ moderate and lower-income employees.

Small businesses can claim the credit for 2010 through 2013; the maximum credit is 35 percent of premiums paid by eligible small businesses and 25 percent of premiums paid by eligible tax-exempt organizations. Beginning in 2014, the maximum tax credit will increase to 50 percent of premiums paid by eligible small business employers and 35 percent by tax-exempt organizations.

Small businesses looking for forms, guidance and answers to questions on the Affordable Care Act should visit the following IRS website at:

<http://www.irs.gov/newsroom/article/0..id=231928.00.html?portlet=7>

Congratulations on Your Retirement!

Congratulations and goodbye to New Jersey District Office employees, Frank Burke, Assistant District Director for Marketing & Outreach with 39 years of federal service; James Kocsi, District Director with 38 years of federal service; and Don Swartz, Business Development Specialist with 29 years of federal service.

Collectively, they have put in 106 years of federal service, including time served in the military. Instead of rushing to work in the morning, they will now be rushing to make their tee times and participate in other exciting ventures that await them in their retirement.

While we will miss working with you all, we know that this is the time for each of you to sit back and enjoy all that you have achieved and accomplished during your careers with the SBA.

Again, congratulations and good fortune to all of you.

Your Friends at the New Jersey District Office

Upcoming Events

Small Business Jobs Act
 Thursday, Dec. 16, 2010
 3:00 p.m.—4:30 p.m.
 Bergen Community College
 CIARCO Learning Center
 355 Main Street
 Hackensack, NJ 07601
 Fee: None
 For Information:
 (973) 645-2530
ursula.sanders@sba.gov

Making Social Media Work for Your Small Business
 Monday, January 10, 2011
 6:45 p.m.—8:45 p.m.
 SCORE@
 The Princeton Public Library
 65 Witherspoon Street
 Princeton, NJ 08542
 Fee: None
 For Information:
 (609) 393-0505
info@scoreprinceton.org

Buying a Business
 Tuesday, January 11, 2011
 10:00 a.m.—1:00 p.m.
 WCEC@SBA
 Two Gateway Center—15th Fl.
 Newark, NJ 07102
 Fee: None
 For Information:
 (973) 507-9700

Starting and Managing Your Own Business
 Tuesday, January 18, 2011
 9:00 a.m.— 2:30 p.m.
 SCORE at the SBA
 Two Gateway Center—15th Fl.
 Newark, NJ 07102
 Fee: \$35 Includes book
 For Info: (973) 645-3982

Inbound Marketing Game Plan
 Thursday, January 20, 2011
 10:00 a.m.—1:00 p.m.
 WCEC@SBA
 Two Gateway Center—15th Fl.
 Newark, NJ 07102
 Fee: None
 For Information:
 (973) 507-9700

Newest Microlender

Islles Community Enterprises, a Trenton-based nonprofit that specializes in community development, has received a loan of \$150,000 from the U.S. Small Business Administration to provide small businesses throughout Mercer County with SBA micro-loans.

In making the announcement, SBA's New Jersey District Director, James A. Kocsi, said, "The SBA is pleased to have Isles Community Enterprises (ICE) join us as the agency's newest microlender in New Jersey. This group has a rich and successful history in community development and we expect the SBA microloan program to complement and support Isles' mission to help create and expand successful businesses throughout Mercer County."

While the recent passage of the Small Business Jobs Act of 2010 has permanently boosted the maximum amount of an SBA microloan to \$50,000 from \$35,000, Isles plans to make SBA microloans available at amounts of \$15,000 and less.

Founded in 1981 by students and faculty of Princeton University, Isles is an award winning nonprofit community development and environmental organization with a focus on the redevelopment of older communities by offering its clients self-help tools and services that include programs in affordable and green housing development, community planning and research, microbusiness development, first time homeownership and foreclosure prevention, environmental health, urban agriculture, youth training and education, green collar job training and other market-based social enterprise development.

For additional information on SBA microloans from Isles Community Enterprises, contact Norma Diaz at (609) 341-4791 or visit Isles' website at www.isles.org.

New Contracting Rules for Women

The recent publication of a final rule in the Federal Register, will allow the U.S. Small Business Administration to begin implementing its women-owned small business (WOSB) contracting program. The agency expects the program to be available for WOSBs in early 2011.

Some of the components of the Women-Owned Small Business rule include:

- To be eligible, a firm must be 51 percent owned and controlled by one or more women, and primarily managed by one or more women. The women must be U.S. citizens. The firm must be "small" in its primary industry in accordance with SBA's size standards for that industry. In order for a WOSB to be deemed "economically disadvantaged," its owners must demonstrate economic disadvantage in accordance with the requirements set forth in the final rule.
- Based upon the analysis in a study commissioned by the SBA from the Kauffman-RAND Foundation, the final rule identifies 83 industries (identified by "NAICS" codes) in which women-owned small businesses are under-represented or substantially under-represented in federal procurements. The SBA has identified eligible industries based upon the combination of both the "share of contracting dollars" analysis, as well as the "share of number of contracts awarded" analysis used in the RAND study. This differs from an earlier proposed version of the rule which identified only four industries in which women-owned small businesses were under-represented. This earlier version proposed to identify eligible industries based solely on the "share of contracting dollars" analysis used in the RAND study.
- In accordance with the statute, the final rule authorizes a set-aside of federal contracts for WOSBs where the anticipated contract price does not exceed \$5 million in the case of manufacturing contracts and \$3 million in the case of other contracts. Contracts with values in excess of these limits are not subject to set-aside under this program.

For additional information and an extensive overview of the new WOSB program, please visit:

http://www.sba.gov/aboutsba/sbaprograms/gc/gc_women_procurement.html