

CLEVELAND DISTRICT OFFICE NEWS
 INFORMATION FOR THE SMALL BUSINESS COMMUNITY

Loan Report as of March 31, 2010

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7(a) and 504 Loans Combined

Bank	Number Approvals	Dollars (In Thousands)
Huntington National Bank	144	\$27,342
JPMorgan Chase Bank	50	\$7,756
KeyBank	46	\$8,583
Charter One Bank/RBS Citizens	29	\$1,765
FirstMerit Bank	27	\$3,115

504 Loans

Bank	Number 504 Approvals
KeyBank	7
PNC Bank	7
FirstMerit Bank	6
Huntington National Bank	5
First National Bank	4
Farmer's National Bank	3
Fifth Third Bank	3
JPMorgan Chase Bank	3

CDC	Number 504 Approvals	Dollars (In Thousands)
Growth Capital Corp.	22	\$9,232
Cascade Capital Corp.	9	\$3,252
Northwest Ohio Dev. Ass't.	6	\$1,699
Mahoning Valley Economic Dev. Corp.	5	\$3,395
Lake County SBAC	4	\$560
Stark Development Board	4	\$570
Mentor Economic Ass't Corp.	3	\$784
Community Capital Dev. Corp.	2	\$1,523
West Central Partnership	2	\$1,530
Ohio Statewide	1	\$294

In News for Our Lending Partners:

- Additional funding available for fee relief and higher guaranty loans
- Supplemental 1502 reporting on Dealer Floor Plan loans
- Guidance for 7(a) lenders for submission of USCIS/SAVE (INS) Alien Verification — Where to mail forms G-845



NEWS FOR OUR LENDING PARTNERS

Additional Funding Available for Fee Relief and Higher Guaranty Loans

On March 26, 2010, the President signed legislation (H.R. 4938) that permits SBA to use up to \$40 million of existing appropriations 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 April 30, 2010.

Funding of New Loans in the Queue

SBA will begin funding applications for new loans that are in the 7(a) and 504 Recovery Loan Queues as soon as administratively possible.

Funding of Increases to Previously Approved Loans

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 after March 28, 2010. If the borrower needs additional funds, a new loan application will be required.

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

www.sba.gov/recoveryq/index.html.

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 3)*

News for Our Lending Partners *(continued from page 2)*

Supplemental 1502 Reporting on All Dealer Floor Plan Loans

On July 6, 2009, SBA published a notice in the Federal Register to announce the Dealer Floor Plan Pilot Initiative. (74 FR 32006) In that notice, SBA informed lenders that they would be required to periodically report on the disbursement and collection activity of each loan in addition to their regular 1502 reporting requirements. This additional reporting is necessary to allow SBA to conform to accounting and budgeting requirements under the Federal Credit Reform Act as well as to evaluate and monitor portfolio performance. The purpose of this Notice is to provide lenders with further guidance on this additional reporting requirement.

New SBA Form 1502 R: SBA has created a new form to be used when reporting on all Dealer Floor Plan (DFP) Pilot Initiative lines of credit, including those DFP lines of credit that have already been approved. This form is called SBA Form 1502 R, Lender's Disbursement and Collection Report for SBA Guaranteed Revolving Lines of Credit. This form may be found at:

www.sba.gov/idc/groups/public/documents/sba_homepage/lender_creditresol_form1502.pdf

Lenders with a disbursed SBA-guaranteed DFP line of credit in their portfolio must complete SBA Form 1502 R to report monthly disbursement and collection activity (drawdowns, repayments and fees) for that line of credit. Lenders must submit SBA Form 1502 R to SBA for each calendar quarter ending March 31, June 30, September 30 and December 31, beginning with the 1st Quarter of Calendar Year 2010 (January through March). While the SBA Form 1502 R is submitted to SBA on a quarterly basis, the disbursement and collection activity reported on the form is monthly (from the first business day to the last business day of each month). Lenders must submit SBA Form 1502 R by the last day of the month immediately following the end of each calendar quarter. All completed forms must be sent to Sandra L. Johnston, Office of Financial Assistance, Suite 8300, 409 Third Street, SW, Washington, D.C. 20416. Her fax number is (202) 481-5483.

Lenders are required to complete a separate SBA Form 1502 R for each SBA-guaranteed DFP line of credit that has any balance outstanding during the quarter. The months to be reported on in the initial submission shall be for the 1st Quarter of Calendar Year 2010 (January through March). Lenders are not required to complete SBA Form 1502 R for disbursement and collection activity occurring in 2009. Subsequent Forms 1502 R are due for each calendar quarter until the line is paid in full.

Guidance for 7(a) Lenders for Submission of USCIS/SAVE (INS) Alien Verification -- Where to Mail Forms G-845

USCIS/SAVE has notified SBA of the following:

As of March 1, 2010, the USCIS San Francisco field office will no longer process G-845 requests from lenders. For lending partners located in the state of Ohio, G-845 requests will only be processed in Buffalo, NY. Please see the following link for the complete mailing address:

www.uscis.gov/portal/site/uscis/menuitem.eb1d4c2a3e5b9ac89243c6a7543f6d1a/?vgnex-oid=1721c2ec0c7c8110VgnVCM1000004718190aRCRD&vgnnextchannel=1721c2ec0c7c8110VgnVCM1000004718190aRCRD

Then click on Forms/Direct Filing Addresses in the right hand column of that page.

The following contact information remains applicable:

By phone at 1-877-469-2563 – This is for status inquiries if processing of Form G845, Verification Request (Non-SAVE agencies), has exceeded processing time of 10 business days. The 10 business days start at the date that USCIS receives the request not the date mailed. If you should include return (prepaid) FedEx envelopes, they will use them. Please do not call any other number for SAVE or USCIS as they will not be equipped to verify this information for you.

It is important that you not resend (unless the 1-877 number indicates that they do not have the request and ask that you resend) duplicate G-845 for verification as this will only bog down the system.

SAVE.Help@dhs.gov – For USCIS policy questions (e.g., completion of the form, etc.), please contact the SAVE office using this email address. This is not to be used for status inquiries.

Reminder:

Only SBA approved 7(a) lenders are permitted to use this program under SBA's MOU with USICS (Loan packagers are not recognized as SBA approved lenders and are required to send the documentation to the Lender for submission).

Verification requests will be rejected if USCIS/SAVE does not recognize the name of the Lender as an approved SBA 7(a) lender. The Lender should be careful to use its full legal name and address as it appears in SBA's Partner Information Management System (PIMS). ♦

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

SBA Recovery Lending Extended Through April 30

Administrator Mills urges longer-term extension for successful programs

President Barack Obama has signed legislation extending through April the U.S. Small Business Administration's ability to provide enhancements in its two largest 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 fee relief. The SBA estimates the \$40 million extension will support about \$1.4 billion in small business lending.

"Thousands of small businesses across the country have taken advantage of these Recovery loan enhancements to get the capital they need during these tough economic times," said SBA Administrator Karen Mills. "The increased guarantee and reduced fees on SBA loans helped put more than \$23 billion into the hands of small business owners and brought more than 1,100 lenders back to SBA loan programs. As a result, average weekly loan approvals by SBA have climbed by 86 percent compared to the weekly average before passage of the Recovery Act. These programs have been successful in helping jump-start our economy, which is why we will continue to work with Congress on a longer extension of the increased guarantee and reduced fees.

"Additionally, we continue to encourage the Congress to act on other proposals the President has put forward, including higher SBA loan limits and refinancing for commercial property mortgages to help thousands of small businesses avoid potential foreclosure. Small businesses need the changes the President has called for to ensure that they have the tools 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 waive 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. That funding was exhausted late Friday.

Under the new extension SBA may continue to waive loan fees and provide higher guarantee levels on 7(a) loans through April, 30, 2010, or until the funds provided under the bill are exhausted. When the funds provided for March were exhausted, SBA reactivated the Recovery Loan Queue, as occurred in November and again in February, to cover the brief period of time before the funds from the extension become available, which should be within a few days. Eligible small business loan applicants, in consultation with their lenders, may choose to be placed in the queue for possible approval of a Recovery Act loan when funding becomes available. For non-Recovery Act 7(a) or 504 loans already funded during the Recovery Loan Queue period, this extension does not provide a retroactive guarantee or fee relief. Loans that were funded under non-Recovery Act terms cannot be canceled and resubmitted to take advantage of the Recovery Act extension provisions. This extension does not affect other SBA Recovery Act programs, including the America's Recovery Capital (ARC) loan program or the agency's microloans. Recovery Act funding still remains available for both of those programs. ♦

SBA Cleveland District Office Hosts Meeting on Green Initiative

The SBA Cleveland District Office hosted a working luncheon meeting on March 18, 2010 to discuss the implementation of a new Green Initiative in Northern Ohio. Gil Goldberg, Cleveland SBA District Director, along with Steve Millard, President and Executive Director of the Council of Smaller Enterprises (COSE), announced that SBA has entered into a strategic alliance with COSE to support the use of the SBA 7(a) and 504 programs by small businesses and our lending partners to improve energy efficiency, resulting in energy cost savings and improvement in cash flow for area entrepreneurs. The meeting was attended by Cleveland area lenders, along with COSE and SBA staff. COSE's energy programs and the role of SBA's lending partners were discussed in detail. The meeting was a great success. Everyone agreed to work together to make the Green Initiative a major accomplishment.



Nicole Slika, Director, COSE Energy Programs, presented at the meeting.

Two New SBA Studies Look at Small Firm Retirement Plans

Workers in small firms with fewer than 100 employees are much less likely than larger businesses to have a retirement plan available to them, according to a study released by the Office of Advocacy. A related working paper analyzes the retirement savings behavior of business owners, and finds that retirement account ownership, contribution, and participation rates for all business owners are low; this is especially true of micro-business owners. Both studies use nationally representative data from the Census Bureau's Survey of Income and Program Participation.

Small Business Retirement Plan Availability and Worker Participation, by Kathryn Kobe of Economic Consulting Services, finds that the number of companies offering traditional defined benefit pension plans has been declining steadily, and almost half of the workforce—about 58 million workers—do not have access to any type of retirement plan through their place of work. Moreover, another 20 million workers do not participate in the plans their employers offer. Nearly 72 percent of workers in small companies have no retirement plan available. One reason smaller firms may not offer the benefit is the cost of setting up and running a retirement plan.

In *Saving for Retirement: A Look at Small Business Owners*, Advocacy Economist Jules Lichtenstein offers further evidence for concern that business owners are not saving enough for retirement. This working paper shows that 38.5 percent of owners of businesses with 10 or more employees participated in a 401(k)/Thrift plan, compared with only 16.1 percent of business owners with fewer than 10 employees. These microbusiness owners represent 91 percent of the owners in the sample. The most significant factors affecting participation in individual retirement accounts (IRAs) and 401(k)/Thrift plans are homeownership and other retirement plan savings. ♦

Youngstown Minority and Female Business Conference Held

The 3rd Annual Minority & Female Business Conference was held at Youngstown State University on March 11, 2010. The Youngstown/Warren Regional Chamber sponsored this dynamic event. Sonya Wagasky, Business Development Officer from SBA Cleveland District Office, conducted a workshop on Federal Government Small Business & Minority Certification and Government Contracting. Other workshops included Developing a Business Plan, Financial Statements & Taxes Impacting Your Business, and the State of Ohio MBE/EDGE Certification.

There was also a Business Matchmaker, where various purchasing representatives from public and private businesses met with prospective minority and female business vendors. In addition, there was a vendor area, where local organizations, local banks, and businesses were able to provide information and meet with the conference participants. The SBA and SCORE (Service Corps of Retired Executives) both had vendor tables at the event. ♦



SBA's Sonya Wagasky and a conference attendee.



Sonya Wagasky speaks to the attendees.

SBA Presents at Black Caucus Recovery Forum

The SBA Cleveland District Office was a major participant at the Congressional Black Caucus Foundation's Economic Recovery Forum in Cleveland, Ohio on March 27, 2010. Over 300 people attended the Forum. Ohio Congresswoman Marcia Fudge provided opening remarks. Gil Goldberg, SBA Cleveland District Director, addressed the audience on SBA Programs & Services and the Recovery Act. He also moderated a breakout session titled Small Business Growth Opportunities for Existing Business Owners, which focused on assistance and federal contracts available to small/minority business owners. James Duffy, SBA Manager of Business & Economic Development, spoke at the breakout session on Federal Government Contracting. James Donato, SBA Manager of Lender Relations, spoke on SBA financing opportunities. SCORE (Service Corps of Retired Executives) counselors Carl Gedeon and Anthony Coletto presented on starting your own business. There was also an energetic Informational Fair, where local organizations provided one-on-one interaction with attendees seeking information and assistance. SBA staff and SCORE counselors staffed information/meeting tables at the fair, as did local banks, and federal, state, and local agencies. ♦



Among the forum's panelists were moderator James Carr, National Community Reinvestment Coalition; Iris Cooper, Ohio Department of Development; Gil Goldberg, Cleveland SBA; Luis Martinez, City of Cleveland Office of Community Development; and Douglas Shelby, U.S. Department of Housing and Urban Development

IRS Embraces New Applications to Make Tax Information More Accessible to Small Businesses and the Self-employed

Maximizing the Web's convenience, accuracy and speed, IRS.gov, IRS's web site, now assists millions of individual taxpayers, tax professionals, and small business owners to better understand and meet their tax responsibilities.

Updated Virtual Small Business Tax Workshop

The IRS's Virtual Small Business Tax Workshop is an interactive resource to help small business owners learn about their federal tax rights and responsibilities. This dynamic educational product, available online and on CD 24/7 from your computer, consists of nine stand-alone lessons that can be selected and viewed in any sequence. A bookmark feature makes it possible to leave and return to a specific point within the lesson. Users also have access to a list of useful online references that enhance the learning experience by allowing them to view references and the video lessons simultaneously. The Virtual Small Business Tax Workshop is the first of a series of video products designed exclusively for small business taxpayers. A new companion series called, "Your Guide to an IRS Audit" is in development with plans for a summer 2010 launch.

IRS.gov now features audio and video

IRS is augmenting its curriculum of online learning and educational products for the small business community by developing new live broadcasting, phone forums and webinars, and offering audio and video presentations.

Testing social media

The IRS is testing social media. We have launched a YouTube video site at [YouTube - irsvideos's Channel](#) and an iTunes podcast to help taxpayers take full advantage of the 2009 tax provisions in the American Recovery and Reinvestment Act. The IRS YouTube channel debuted with seven Recovery videos in English and American Sign Language and eight in Spanish plus other languages. People without an iTunes account can hear those same podcasts, in English and Spanish, on IRS.gov's Multimedia Center. People can also visit the audio site at [iTunes](#) to listen to IRS podcasts about ARRA tax credits.

To get the most timely IRS news and information about products and services for small businesses and the self-employed, subscribe to e-News on IRS.gov at: <http://www.irs.gov/businesses/small/article/0..id=154825.00.html>. click "Subscribe Now" at the bottom of the page and enter your e-mail address. ♦

WEN TRADE SHOW
April 26, 2010



Trade Show!

Monday, April 26, 2010
Parkway Place
2592 Parkway Plaza
Maumee, Ohio

AGENDA

8:00 - 10:30 a.m. Set Up
10:30 - 11:30 a.m. Vendor ONLY Networking
11:30 - 1:00 p.m. Lunch Bunch
1:00 - 5:00 p.m. TRADE SHOW

TABLE SALES

Member Table Cost \$99.00 (thru March 15)
Member Table Cost \$125.00 (after March 15)
Non-Member Table Cost \$199 (includes 1 year membership)

Tables can be split.
It is the vendor's responsibility to find a table partner.

Contact Beth Miller for more information
at 419-254-6034
www.wen-usa.com

SBA to Participate in Free Small Business Symposium - *Road to Success*

There will be a free small business symposium, "Road to Success – Learn from the Experts," on Tuesday, May 18, 2010 from 8 a.m. to 2 p.m. on the main college campus of Lakeland Community College, 7700 Clocktower Drive, Kirtland, Ohio, 44094. This free Small Business Symposium is targeted for small business owners, entrepreneurs, minority businesses and those wishing to start a business.

The program is presented in partnership with the Lake County Port Authority's Ohio Small Business Development Center, the Small Business Administration of Cleveland, and the Mentor Economic Assistance Corporation.

The event is designed for businesses of 200 or fewer employees or for those who are interested in starting a business. This year will feature a minority business opportunities programming track.

Participants will be able to choose from 20 programs including marketing, operations, start up, and new ventures. Gil Goldberg, District Director of the Cleveland office of the U.S. Small Business Administration, will give the opening remarks. Local entrepreneur Anita Campbell, of Small Business Trends, LLC., will be the featured keynote during the event.

To register, or for sponsorship/exhibit opportunities, call Lakeland's Workforce Development & Continuing Education Division at 440-525-7315, or e-mail cmoss@lakelandcc.edu.♦

FREE Small Business Symposium
Road to Success
Learn from the Experts

Tuesday, May 18, 2010
8:00 a.m. - 2:30 p.m.

Marketing TRACK
Operations Track
Start-Up TRACK
Minority Business TRACK **NEW!**

FREE
 when registered by May 14

Get the tools and direction you need to get your small business on the road to success.

Four tracks to choose from:

- Marketing Track
- Operations Track
- Start-Up Track
- Minority Business Track

LAKELAND
 COMMUNITY COLLEGE
 Workforce Development & Continuing Education

For more information or to register call, Lakeland Workforce Development & Continuing Education at 440-525-7315 or e-mail wdce@lakelandcc.edu.

Free Seminar Celebrates Small Business Week

The Federal Government has officially declared May 23 as the start of Small Business Week dedicated to the 27.2 million small businesses in America. It is estimated that more than half of Americans either own or work in small businesses that create 60-80% of new jobs in the country.

In Cleveland, SCORE, a resource partner of the U.S. Small Business Administration, and counselors to small businesses, is presenting a free seminar on the availability of free market research at the main branch and the Cleveland Public Library online. Mr. Aaron Mason, business, economics & labor librarian at the Cleveland Public Library will facilitate the seminar.

This event will take place at the SCORE office at 1350 Euclid Avenue on Friday, May 28 from 9:30 a.m. to 12:00 p.m. Refreshments will be provided. Seating is limited to eighty participants and reservations must be made by May 21; call 216-522-4194.

SCORE is a nonprofit association with 389 offices nationwide with 10,500 professionals who volunteer to help startup and established businesses to drive innovation, create jobs and increase U.S. competitiveness.♦