

RICHMOND, VA E-NEWSLETTER

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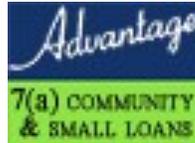
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You have subscribed to the Newsletter List of the Richmond, Virginia District Office of the U.S. Small Business Administration. Information provided to you via this newsletter may include general information regarding our Agency and its programs. It will focus primarily on events in the Richmond District Office territory, consisting of all of Virginia, except the counties of Arlington, Fairfax and Loudoun, and cities of Alexandria, Fairfax and Falls Church. If you would like specific information related to the SBA office in your area, please visit our [Local Offices page](#) and click on the office closest to where your business resides or will reside.

Helping small businesses
start, grow and succeed.



Your Small Business Resource



SBA Announces New Initiatives Aimed at Increasing Lending in Underserved Communities

With small business owners and entrepreneurs in traditionally underserved communities continuing to face challenges accessing capital, the SBA has announced two new initiatives aimed at increasing SBA-backed loans to small businesses in these markets.

The Small Loan Advantage and Community Advantage programs are aimed at increasing the number of lower-dollar SBA 7(a) loans going to small businesses and entrepreneurs in underserved communities. SBA's most popular loan product, 7(a) government-guaranteed loans can be used for a variety of general business purposes, including working capital and purchases of equipment and real estate.

With the implementation of these two new Advantage loan initiatives by March 15, the agency will end its existing Community Express loan pilot program on April 30.

"Over the last two years, we've seen lending to all small businesses tighten up, and that tightening has been even greater in traditionally underserved communities, including among minorities, women and in rural areas," SBA Administrator Karen Mills said. "These new Advantage initiatives are aimed directly at getting more loans into these markets so these small business owners can get the capital they need to start or grow their business and create good paying jobs in local communities across the country."

Built on what the agency refers to as its "Advantage" platform, both Small Loan Advantage and Community Advantage will offer a streamlined application process for SBA-guaranteed 7(a) loans up to \$250,000. These loans will come with the regular 7(a) government guarantee, 85 percent for loans up to \$150,000 and 75 percent for those greater than \$150,000.

Small Loan Advantage will be available to the 630 financial institutions across the country in the agency's Preferred Lender Program (PLP). Under PLP, which includes most of the agency's highest volume lenders, SBA delegates the final credit decisions to lenders.

With Community Advantage, the agency will expand small business owner access to loans by opening SBA's 7(a) loan program to "mission-focused" financial institutions, including Community Development Financial Institutions, Certified Development Companies and non-profit microlending intermediaries.

Community Advantage will leverage the experience these institutions already have in lending to minority, women-owned and start-up companies in economically challenged markets, along with their management and technical assistance expertise, to help make their borrowers successful. **(continued next page)**

NEW ADVANTAGE LOAN PROGRAMS

(continued from page 1)

“These two new loan initiatives tackle a couple of factors we know exist when it comes to the challenges small business owners face,” Mills said. “First, to add more incentive for lower-dollar loans in these communities, we are providing a streamlined process for lenders along with the regular 7(a) government guarantee.”

“Second, we are taking steps that will increase the number of places small business owners in underserved communities can go to get loans. And also, with Community Advantage, we are making sure that the additional assistance some borrowers may need through counseling and technical assistance will be available,” Mills said.

The new loan initiatives are in line with the agency’s core mission of supporting small business growth and job creation and goals of the new Advisory Council on Underserved Communities. The Council will provide input, advice and recommendations on how SBA programs can help strengthen competitiveness and sustainability for small businesses in underserved communities.

“Many entrepreneurs and small business owners across the country have enormous potential to drive economic growth and create good-paying jobs in their local communities, but too often they face barriers in fulfilling that potential,” said Hughes, who will chair the council. “I’m excited to be a part of this effort to strengthen the link between these entrepreneurs and SBA’s wide variety of resources. SBA assistance played a critical role in my success, and I’m eager to do all I can to help make sure others have access to these same opportunities.”

The agency’s new Advisory Council on Underserved Communities will consist of 20 members from across the country and SBA will accept nominations for members to serve on the CUC. Members will provide a critical link between SBA and small businesses in traditionally underserved communities. It is anticipated that members will reflect a variety of key sectors, including business owners, banking and finance, community development, nonprofit and academia. Member nominations can be emailed to underservedcouncil@sba.gov.

**The New
SBA.Gov,
Launched
December
2010**



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 all-new bells and whistles, the new SBA.gov provides 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 ever browsed the SBA.gov Web site in its old format, 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.

For a tour of the new web site and a “Getting to Know our Site” video, please visit <http://www.sba.gov/about-sba-info/take-a-tour>.



SBADirect— A new dynamic web tool that will allow users to personalize their experience will be launched on the new

New Guidance on Healthcare Tax Credits

December 2, 2010

Dear Small Business Owner,

As I've traveled the country this 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. **Today, 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.

Karen Mills
SBA Administrator

SMALL BUSINESS TAX PROVISIONS IN 2010 JOBS ACT

The Small Business Jobs Act of 2010 enacted in September included eight Small Business tax provisions:

- Temporary exclusion of 100% of gain on certain small business stock
- General business credits of eligible small businesses for 2010 carried back 5 years
- General business credits of eligible small businesses in 2010 not subject to alternative minimum tax
- Temporary reduction in S-Corporation built-in gain recognition period
- Increased expensing limitations for 2010 and 2011; certain real property treated as Code section 179 property
- Additional first-year depreciation for 50% of the basis of certain qualified property
- Increase in amount allowed as deduction for start-up expenditures in 2010
- Deduction for health insurance costs in computing self-employment taxes in 2010. For an explanation of the provisions, please visit <http://www.irs.gov/businesses/small/article/0,,id=230307,00.html>.

Also, for instructions on how to implement the **2011 Payroll tax cut**, see

www.irs.gov/newsroom/article/0,,id=232590,00.html.

New Site: Six Steps to Exporting Success **Commerce, SBA Launch New Online Tool** **To Help Small Businesses Begin Exporting**

BEGIN
Exporting



Small businesses interested in exporting now have a new online tool to help them tap into the global marketplace. Developed by the U.S. Department of Commerce and the SBA, ***Six Steps to Begin Exporting***, www.export.gov/begin, is the latest tool in the National Export Initiative toolbox to help entrepreneurs begin exporting.

The six-step process begins with a self-assessment to help potential exporters gauge their readiness to successfully engage in international trade. The self-assessment is followed by sections on training and counseling programs; resources to create an export business plan; information on conducting market research; assistance for finding foreign buyers; and financing options for your small business exports, foreign investments or projects.

Upon completing the self-assessment, businesses receive a score indicating their level of readiness. Based on the score, additional resources are identified fitting their specific needs, including SBA and its nationwide resource partners, SCORE and Small Business Development Centers, as well as Commerce's U.S. Export Assistance Centers, which provide individualized support.

"With nearly 96 percent of the world's customers living outside the United States and two-thirds of the world's purchasing power in foreign countries, tapping into opportunities in the global market makes perfect sense and is more attainable than ever for small business owners," SBA Administrator Karen Mills said. "One of the main hurdles potential exporters face is their fear that exporting is too complicated. This six-step process addresses and dispels that concern. Across the administration, we continue to strengthen the tools and resources so we can be the best possible partner in helping small business owners grow their customer base beyond our borders and, in doing so, create new jobs here at home."

For more information on export services for small businesses or to find local counseling and technical assistance resources, please visit www.export.gov.

HAVE A QUESTION?

EMAIL YOUR QUESTIONS:

Our local email address is richmond.va@sba.gov. If you are a small business owner or prospective owner located in our territory of Virginia (see page 1), please contact us if you have questions about any of our services, starting a business, or obtaining business financing.



UPCOMING EVENTS

CALENDAR OF EVENTS:

Be sure to visit our [Calendar of Events](#) for workshops of interest to small business owners in Virginia. To get to the Calendar, go to our [website](#) and click on the "Events" link on the left side of the page.

SHARE THIS NEWSLETTER WITH A FRIEND – Do you know a fellow small business owner who would benefit from the **Richmond, VA SBA Newsletter**? If so, forward it to them or direct them to the registration page at <http://web.sba.gov/list/> (scroll down and click on the box next to Richmond, VA Newsletter).

NEW SUBSCRIBERS – For those who have just joined the Newsletter list, be sure to read earlier newsletters in our [Archives](#).