



Hawai'i District Office Lenders Quarterly



Happy New Year!!

Lender of the Year and Lending Officer of the Year Awards

The 2005 Lender of the Year and Lending Officer of the Year Awards breakfast, held on October 26th at the Plaza Club, was a stunning success.

Bank of Hawai'i was recognized as Lender of the Year category I and Central Pacific Bank Lender of the Year category II. Recipients for the Lending Officer of the Year gold award were Naomi Masuno with the most approved loans statewide – Central Pacific Bank, James Mayfield -- Bank of Hawai'i, Patrice Matsumoto -- Central Pacific Bank, Roxann Uyetake -- Bank of Hawai'i and Emily Potter -- Bank of Hawai'i.

Once again, the District Office acknowledged Innovative Bank (Oakland, California) as providing the most Community Express loans in Hawai'i. Sue Malone accepted the award on behalf of Innovative Bank. Also acknowledged for their support of small business were technical assistance providers Mark Tagawa, Michele Fong of Pacific Gateway Center and Cherylle Morrow of the Hawai'i Women Business Center.

David Perkins, President of HEDCO LDC, recognized First Hawaiian Bank for approving the most "third party lender loans" under the 504 program.

Congratulations to all!



Awards Program for 2006

The Lender of the Year and Lending Officer of the Year Awards program continues for fiscal year 2006. The awards score will include approved 504 loans when tabulating the overall points for the top producing SBA guaranteed lenders and lending officers.

Each 504 loan approval will garner one (1) point and one (1) bonus point will be awarded for 504 loans made to start-up businesses. These points will be applied to the Lender of the Year and Lending Officer of the Year Awards program.

SBA has established two categories of lending institutions based on the total asset size reported by the Federal Deposit Insurance Corporation (FDIC) as of June 2005. Lenders with total asset size of \$9 billion or more will compete in Category I and lenders with total asset size of less than \$9 billion will compete in Category II.

SBA's Lending Officer of the Year Awards program will acknowledge an individual loan officer for his or her SBA loan-making achievements. Two (2) points will be given for each 7(a) loan approval. One (1) bonus point will continue to be awarded for each loan to firms owned 51% or more by women and 51% or more by veterans.

A new feature will include a point for a 504 loan and an additional point for a 504 loan made to start-up business (in business for less than 2 years). In 2006, additional bonus points will not be awarded for Caplines, Export Working Capital Loans and Export Express.

The Lender of the Year and Lending Officer of the Year Awards program began on October 1, 2005 and ends September 30, 2006. If you have any questions, please call Jerry M. Hirata at (808) 541-2969.

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For More Information

- SBA offices are located in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam. For the office nearest you, look under "U.S. Government" in your telephone directory, or call the SBA Answer Desk.
- SBA Answer Desk: 1-800 U ASK SBA
- Fax: 202-205-7064
- E-mail: answerdesk@sba.gov
- TDD: 704-344-6640
- Your rights to regulatory fairness: 1-800-REG-FAIR
- SBA Home Page: www.sba.gov

All of the SBA's programs and services are provided to the public on a nondiscriminatory basis.



Know Your Customer



Duke's Clothing

723 California Avenue, Wahiawā, Hawai'i

Store Hours:

M-F 9:00am-6:00pm

Sat 9:00am-5:30pm

Sun 9:00am-4:00pm

FLAX of New York (in February) and You and Me Naturally, a Hawai'i-based company (in July). Recently, Duke's Clothing conducted their first annual trunk show for "**The Red Hat Society.**" It was a very successful event and displayed red hat clothing and accessories from various manufacturers.

Duke's Clothing has been part of Wahiawā since the 1920s. This is a story of an individual taking a firm grip on challenges and moving a company from the later part of the 20th century to the 21st century. Gail Nakasone had been working at Duke's Clothing for about 15 years, which included part-time work while attending the University of Hawai'i, majoring in fashion merchandising. In 1988, she had an opportunity to purchase the business from the original owners. Knowing the customer base and the potential of the business—along with steady nerves, she took on this entrepreneurial challenge.

The firm generally caters to the contemporary career and casual female buyer -- age 30 and over; however they also have a selection of men's ready-to-wear. Realizing Wahiawā is a small, rural community and has its ups and downs, Gail knew that she had to extend her customer base. Her customers now come from all parts of the island, as well as a few from the neighbor islands and even the Mainland. To keep customers coming to Wahiawā, aside from the usual holiday sales, Duke's Clothing conducts special annual events -- called "trunk shows" -- featuring clothing lines of



"Red Hat Society--where there is fun after fifty (and before) for women of all walks of life. We believe silliness is the comedy relief of life and, since we are all in it together, we might as well join red-gloved hands and go for the gusto together."



Attentive to individual preferences and current trends, Gail has kept her loyal customers by recognizing the value of good service. The basic combination of quality products and service has been the key to her success.

In 2002, Gail had an opportunity to purchase the property on which Duke's Clothing operated. After consulting with her accountant, she decided to pursue this and sought financial support from John Dickinson of American Savings Bank. John realized that the 504 loan program would bring cost stability with the fixed interest rate and low down payment. This is extremely helpful in an industry with tight profit margins. The right fit for the right customer. During the American Savings Bank approval process, he guided Gail and provided firm support for the loan request. Working with equal vigor and support, David Perkins of HEDCO LDC moved the application through board approval and final concurrence from the Hawai'i District Office. Gail

appreciated the concerted effort provided by both organizations. Both American Savings Bank and HEDCO LDC knew their customer and their product.

Duke's Clothing is located at 723 California Avenue, Wahiawā. We wish you continued success.

The Certified Development Company Program, often referred to as the "504 Program," is a joint federal government/private sector program that offers eligible small businesses financing for equipment (with an economic life of ten or more years), real property acquisition, building construction, expansion and renovation. The program allows private sector lenders to meet the long-term credit needs of eligible small businesses by participating in project financing with the local Certified Development Company. The CDC provides subordinated second mortgage financing in the form of SBA guaranteed debentures at fixed interest rates for either 10-year or 20-year terms.

HEDCO LDC has been a licensed Certified Development Company since September 1981 and Lōkahi Pacific Rural Development Inc. since February 2003. Both organizations are nonprofit corporations set up to contribute to the economic development of the community and offer their services statewide. "Effective Rates" on debentures can be found at www.nadco.org or please call David Perkins, HEDCO LDC at (808) 521-6502 or Craig Swift, Lōkahi Pacific Rural Development Inc. at (808) 242-5761 ext. 24.

Loan Activity, FY 2006
Three Months Ended 12/31/05

<u>Bank</u>	<u>No. of Loans</u>	<u>Loan Amount(000's)</u> <u>Gross</u>	<u>SBA</u>
Bank of Hawaii	16	1153.5	601.3
First Hawaiian Bank	10	1729.6	1040.8
Citizens Security Bank	6	1505.0	1018.8
Capital One	6	240.0	120.0
Central Pacific Bank	4	234.0	146.4
<u>Branch Banking & Trust Co.</u>	<u>1</u>	<u>400.0</u>	<u>300.0</u>
Sub-total	43	5262.1	3227.3
Business Loan Center LLC	10	250.0	212.5
Innovative Bank	7	80.0	68.0
Total 7(a) Loans	60	5592.1	3507.8
HEDCO 504 Loans	7	2725.0	2725.0
Grand Total	67	8317.1	6232.8

NUMBER OF LOANS BY COUNTY & GUAM

	<u>Oahu</u>	<u>Hawaii</u>	<u>Maui</u>	<u>Kauai</u>	<u>Guam</u>	<u>Samoa</u>	<u>Total</u>
Bank of Hawaii	7	5	1		3		16
First Hawaiian Bank	10						10
Citizens Security Bank					6		6
Capital One	5		1				6
Central Pacific Bank	4						4
<u>Branch Banking & Trust Co.</u>	<u>1</u>						<u>1</u>
Sub-total	27	5	2	0	9	0	43
Business Loan Center LLC	6	1	2		1		10
Innovative Bank	7						7
Total 7(a) Loans	40	6	4	0	10	0	60
HEDCO 504 Loans	4	2	1				7
Grand Total	44	8	5	0	10	0	67

Lending Officer Awards
3 months as of
December 31, 2005

Lending Officer	Bank	Branch	# Loans	Pts. =		Bonus Points		Total =
				# Loans X 2		504	504 Startup	Pts. + Bonus Pts.
Oahu								
Masuno, Naomi	CPB	Kaimuki	3	6	3			9
Kihe, Demaney	FHB	Kaneohe	2	4				4
Mukai, Spencer	FHB	Makiki	2	4				4
Au, Randy	BOH	Waipahu	1	2		1		3
Corpuz, Victor	FHB	Waikiki	1	2	1			3
Olanolan, Beulah	BOH	Pearlridge	1	2	1			3
Koyanagi, Jason	BOH	Metro	1	2	1			3
Pingree, Gayle	FHB	Waipahu	1	2		1		3
Bond, Seth	FHB	Kapiolani	1	2				2
Ikeda, Jan	FHB	University	1	2				2
Iwana, Iris	FHB	Main	1	2				2
Kanoa, Manly	BOH	Pearlridge	1	2				2
Nakahara, Lesley Ann	BOH	Pearlridge	1	2				2
Nakama, Gail	FHB	Main	1	2				2
Oshima, Dan	ASB	Main				1	1	2
Pai, Lawrence	CPB	Main	1	2				2
Tanicala, Edie	BOH	Ala Moana	1	2				2
Wong, Alison	BOH	Waikiki	1	2				2
Higa, Shawn	HNB	Main				1		1
Nakachi, Paul	FHB	Pearlridge				1		1
Yamagata, Darrell	ASB	Main				1		1
Total			21					
Maui								
Feliciano, Lolita	BOH	Kahului	1	2		1		3
Peroff, Rod	FHB	Maui				1		1
Total			1					
East Hawaii								
Fujinaka, Keene	BOH	Hilo	3	6	1	1		8
Total			3					
West Hawaii								
Potter, Emily	BOH	Kamuela	1	2	1			3
Binney, Jocelyn	BOH	Kailua Kona	1	2				2
Total			2					

