



April 2007

U.S. Small Business Administration
Cleveland District Office

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April 2007 Newsletter
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For More Information
SBA Home Page: www.sba.gov

- 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

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



HOT ITEMS

News for Our Lending Partners

The interest rate on Section 7(a) Direct Business Loans is 6 percent (6.000%) for the fiscal quarter beginning April 1, 2007. (Information only – no direct funds available at this time.)

The optional peg rate for fluctuating interest rates on guaranty loans is 5 percent (5.000%) for the April – June quarter of FY 2007.

SBA just announced the release of Version 2007.1 of the National 7(a) Authorization Boilerplate and Wizard.

The differences between Version 2007 and 2007.1 are outlined in the "What's New" section of Version 2007.1. The National 7(a) Authorization is an Appendix to SOP 50-10 (4).

Version 2007.1 of the 7(a) Authorization will be available to Lenders by going to the SBA banking website at www.sba.gov/banking beginning April 5, 2007. Lenders have until April 30, 2007 to convert to this new version. ♦

SBA Announces National Celebration of Small Business Week:

April 23 – April 24

The U.S. Small Business Administration will honor America's top entrepreneurs – and name the **National Small Business Person of the Year** – at national ceremonies in Washington, D.C., during **Small Business Week**, April 23-24. The two-day celebration will honor the small business accomplishments of individuals and business owners at four major award events.

“The SBA is proud to honor the entrepreneurial spirit of the men and women who have played such a key role in the success of the economy and the prosperity of our nation,” SBA Administrator Steven Preston said. “I am proud to represent an agency that touches so many people's lives, not only helping them realize their dreams, but doing so in a way that provides jobs, expands our economy, and supports innovation in our country.”

The 2007 **Small Business Week** will be at the Ronald Reagan Building and International Trade Center, where more than 100 outstanding small business owners from across the nation will be recognized. A highlight will be announcement of the **National Small Business Person of the Year** and runners-up, selected from among state winners who represent a diverse cross-section of American business, ranging from a sausage maker and wine café, to a bee keeper and dog salon.

This year the SBA will present awards to honor a number of individuals and organizations:

- The **National Small Business Person of the Year**, selected from the 53 State Small Business Persons for the Year.

(7(a) and 504 Combined)

| Bank | Number of Loans | Dollars (In Thousands) |
|--------------------------|-----------------|------------------------|
| National City Bank | 159 | \$19,704 |
| Charter One Bank | 130 | \$5,820 |
| Huntington National Bank | 102 | \$10,756 |
| JP Morgan Chase Bank | 97 | \$7,564 |
| U.S. Bank | 77 | \$5,735 |

504 Loans

| Bank | Number of 504s |
|--------------------------|----------------|
| National City Bank | 10 |
| FirstMerit Bank | 7 |
| Sky Bank | 7 |
| Huntington National Bank | 7 |
| Key Bank | 6 |

| CDC | Number of Approvals | Dollars (In Thousands) |
|-------------------------------|---------------------|------------------------|
| Growth Capital Corp. | 22 | \$10,002 |
| Cascade Capital Corp. | 14 | \$8,875 |
| MVEDC | 8 | \$3,337 |
| Stark Dev Board Finance Corp. | 7 | \$1,754 |
| Northwest Ohio Dev Ass't | 4 | \$1,360 |
| Lake County SBAC | 3 | \$1,175 |
| Community Capital Dev Corp. | 2 | \$1,243 |
| MEACO | 1 | \$58 |
| Ohio Statewide | 1 | \$95 |
| West Central Partnership | 1 | \$1,768 |

- The **Champion Awards**, recognizing both individuals and organizations for their achievements on behalf of small business, including minority, women and veteran-owned small businesses.
- The **Phoenix Awards**, recognizing a public official, a business owner and a volunteer whose efforts have enabled their businesses or communities to successfully recover from a disaster.
- **Export Lenders of the Year**, honoring financial institutions for financing small business exporters.
- The **Dwight D. Eisenhower Award for Excellence**, recognizing large prime contractors that have excelled in their utilization of small businesses as suppliers and subcontractors.
- The **Gold Star Award**, recognizing exemplary performance of federal staff who manage the aggressive goals and strategic initiatives that help ensure a role for small business in the federal marketplace.
- The **Frances Perkins Vanguard Award**, honoring government and industry for excellence in the use of women-owned small businesses as prime contractors and subcontractors.
- The **Small Business Prime Contractor and Small Business Subcontractor of the Year**, honoring small businesses that have provided government and industry with outstanding goods and services as prime or sub contractors.

Every president for 44 years has issued an annual proclamation celebrating **Small Business Week**. State award winners and recipients of the Champion and other special awards are nominated by local trade associations, chambers of commerce and business organizations. Our local Small Business Week award winners will be announced in our next newsletter. ♦

News From SBA's National Guaranty Purchase Center (NGPC)

The biggest challenge faced by the National Guaranty Purchase Center (NGPC) is the lack of sufficient documentation to enable the SBA to purchase the guaranty. Just as each Loan Authorization is tailored to the specific loan purpose, so too is the documentation needed to analyze and authorize the honoring of the guaranty.

Over the past two years that the NGPC has been processing guaranty purchases, our reject rate for purchase packages has remained around 75-80%. Within this range are packages that may need one or two items while others are comprised of only a Demand letter and Wiring Instructions. In every case it is necessary for SBA staff to contact the lender by phone, fax or email and request additional documentation. This process has slowed down the overall processing times for ALL packages submitted for purchase.

Recently, the NGPC has reevaluated the entire guaranty purchase process and has made major improvements in its procedures. Briefly, the Center will have processing teams that will be focused on those packages that are essentially complete upon arrival. Those that cannot be immediately assigned to the Processing Teams will be returned with instructions to allow for them to be reassembled. In an effort to make this transition as easy as possible, the NGPC has rethought the basic procedures for purchase package assembly. In addition to the standard checklist outlining the items required for purchase, the SBA has developed self-guided tabs to make the compilation of documents much easier.

The Checklist and Tabs will be available on the NGPC website and through our district offices. In addition, if the Tabs are viewed on the website, they will contain links to the Forms library which contains copies of all forms needed in the guaranty purchase process. In addition, the website will maintain a detailed Tutorial with voice over sound that will explain the documents that may be required to complete the guaranty purchase process.

Over the next 30 days, the SBA will be sending emails to approximately 15,000 lending partners outlining the new procedures being put into place at the National Guaranty Purchase Center. In addition, training materials will be distributed to our district office personnel so they can also assist with the transition and be an additional resource to the 7(a) lending community. The National Guaranty Purchase Center web site will also contain links to the new Tabs as well as the Checklist and the Tutorial. All these steps are being taken to dramatically improve the customer service offered by the NGPC as well as decrease the time required to process and approve guaranty purchase requests. We thank you in advance for your cooperation and promise to continue to strive to meet your expectations. ♦

SAVE THE DATE:

The NGPC will be conducting lender training on April 24th and May 3rd (no times established yet; however, the training will last 45-60 minutes). Further information will be forthcoming very soon.

Acquisition of Colson Services Corp., by The Bank of New York, Co., and Information on Relocation of CSA and FTA

On Saturday, April 8, 2006, The Bank of New York, Co. (BONY) and J.P. Morgan Chase & Company (JPM) announced an approximately \$3 billion asset swap with BONY receiving corporate trust services from JPM. The transaction was closed toward the end of 2006 and actual move is scheduled to be completed by April 30, 2007. Included in the transaction was BONY's purchase of Colson Services (Colson), the U.S. Small Business Administration's (SBA's) central servicing agent (CSA) for the 503/504 program as well as SBA's Fiscal and Transfer Agent (FTA) for the 7(a) program.

We do not anticipate any changes in SBA's relationship with Colson or any interruption in business for both CSA and FTA services. Colson has advised us that although it is being relocated, it will retain most of its current management and employees. Attached to this notice are the memos from Colson providing important information on new contacts for CSA and FTA as well as new wire transfer instructions for 503/504 and 7(a) programs. ♦ **Please see next page for further details.**

IMPORTANT

COLSON

**SBA's 7(a) Fiscal & Transfer Agent
is relocating**

Effective March 26, 2007

Colson's new address and contact information:

**2 Hanson Place
7th Floor**

Brooklyn, New York 11217

Direct all express mail and physical deliveries to this new address effective March 26, 2007

New fax numbers:

| Department | Fax number |
|------------------------------------|-------------------|
| Cash Processing (1502 Submissions) | 718-315-5170 |
| Customer Service | 718-315-5100 |
| Payment Control and Late Penalties | 718-315-5200 |
| Payoffs | 718-315-5140 |
| Pooling | 718-315-5200 |
| Settlements | 718-315-5180 |

Colson Services Corp will not change its post office numbers or toll free number

Effective April 23, 2007

Colson's new wire transfer instructions:

Please utilize the information below to wire funds to the applicable accounts effective April 23, 2007

For secondary market and SBA fee payments:

| | |
|--------------------------------------|----------------------|
| Bank: | The Bank of New York |
| ABA Routing: | 021000018 |
| For Credit to: | Colson Services Corp |
| 7(a) Collections account #8900606797 | |
| Text: Bank name and pymt information | |

For secondary market payoffs:

| | |
|---------------------------------|----------------------|
| Bank: | The Bank of New York |
| ABA Routing: | 021000018 |
| For Credit to: | Colson Services Corp |
| 7(a) Payoff account #8900606827 | |
| Text: GP#, Bank name and P&I | |

For secondary market settlements:

| | |
|--------------------------------------|-----------------------|
| Bank: | The Bank of New York |
| ABA Routing: | 021000018 |
| For Credit to: | Colson Services Corp. |
| 7(a) Settlements Account #8900606819 | |

Call us toll free: 877-245-6159

**For additional information, please visit our website: www.colsonservices.com
or contact us via e-mail at info@colsonservices.com**

Colson is a wholly owned subsidiary of the Bank of New York

IMPORTANT

COLSON

The Central Servicing Agent is relocating (503/504)

Effective April 2, 2007

Colson's new address and contact information:

101 Barclay Street

8th Floor East

New York, New York 10286

**Direct all express mail and physical deliveries
to the new address effective April 2, 2007**

**Our e-mail addresses will not change
Our post office box number below will not change.**

P.O. Box 1289

Bowling Green Station

New York, NY 10274

The following are our key new phone numbers:

| | |
|------------------|--------------|
| John Hogan | 212-313-0182 |
| Melissa Poulimas | 212-313-0183 |
| Rich Ventura | 212-313-0184 |
| Fax machine I | 212-313-0148 |
| Fax machine II | 212-313-0163 |

Our toll free number remains the same.

(800) 255-4285

Effective April 23, 2007

Colson Services Corp.'s new wire transfer instructions:

Please utilize the information below to wire funds for 503 and 504 loan payments beginning April 23, 2007.

503 Loans:

The Bank of New York

| | |
|--------------|--|
| ABA Number: | 021000018 |
| FFC: | Colson Services Corp. - 503 Deposit ACH |
| Acct Number: | 8900606770 |
| Reference: | SBA Loan Number |

504 Loans:

The Bank of New York

| | |
|-----------------|--|
| ABA Number: | 021000018 |
| FFC: | Colson Services Corp. - 504 Deposit ACH |
| Account Number: | 8900606762 |
| Reference: | SBA Loan Number |