

NEWS & VIEWS

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DIRECTOR**

**FY 2009
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Helping small businesses **start, grow** and **succeed.**



Your Small Business
Resource

SBA EMERGING 200 GRADUATION CELEBRATION

January 6, 2009 was the graduation celebration of the "2008" Milwaukee graduates of SBA's Emerging 200 Initiative that was launched in April of 2008 and concluded mid-December of 2008.

The celebration was held at the Metropolitan Milwaukee Sewerage District and sixty people were in attendance. Mayor Tom Barrett of Milwaukee along with former SBA Deputy

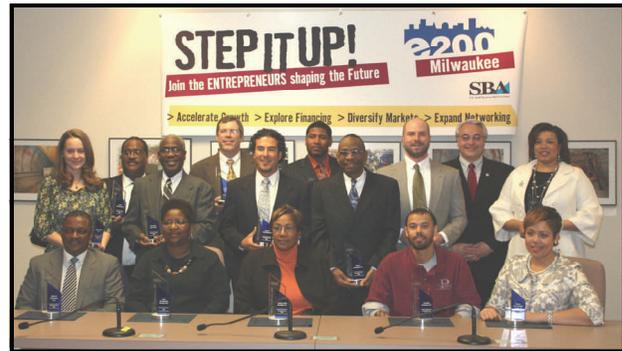
Administrator, Jovita Carranza, former Region V Administrator Pat Rea and Wisconsin District Director Eric Ness congratulated the graduates on their work and reminded us all of the importance of the contributions that these businesses make to the economy of Milwaukee. Senator Feingold and Senator Kohl had representatives present at the event as well as a representative from Congresswoman Moore's office.

Two of the graduates provided their thoughts on how the Emerging 200 impacted them- Melissa Goins of Maures Development Group & Thomas Burse of Buveck Consultants. Melissa said how the peer group portion of the class was especially important to her. Tom thanked SBA for providing this invaluable training.

Wisconsin Deputy District Director Julious Hulbert introduced the graduates and presented fourteen of the fifteen businesses with crystals and certificates commemorating their hard work and dedication to the class. The businesses that graduated from this "first" e200 class were: Buveck Consultants; Companion Natural Pet Food; Cross Management Services, Inc.; Holliman Laster Plumbing; Maures Development Group; McDowell Construction; Phoenix Electric (unable to attend due to health reasons); Penebaker Enterprises; Pinnacle XL, Inc.; Prism Technical; Ramirez Restoration; Reynolds Pasty Shop; Spann & Associates; Wild Flour Bakery and Zoe Engineering.

All the graduates are excited and eager to go forward with the knowledge and networking contacts they acquired through this initiative. All the graduates got a standing ovation from the entire group assembled.

SBA's partner organizations in this e200 initiative were also in attendance at the event and they were: the City of Milwaukee; SCORE-Southeast Wisconsin; Manpower, Inc.; Wisconsin Women's Business Initiative Corp. (WWBIC); Greater Milwaukee Committee; Small Business Development Center (SBDC) through University of Wisconsin-Milwaukee (UWM) and Milwaukee Urban Entrepreneur Partnership. The SBA Emerging 200 Initiative has been even more successful than anticipated and will be continued in Milwaukee in 2009 with classes forming in the Spring. Because the 2008 initial e200 class was such a success, SBA is adding five new cities (Detroit, Dallas, Denver, Jacksonville, and Portland Oregon) to participate in the initiative.



2008 Emerging 200 Graduates

KAREN MILLS NOMINATED FOR SBA ADMINISTRATOR

Karen Mills has been nominated to be the next SBA Administrator.

Mills background is a combination of management, venture capital and public policy. Ms. Mills also has a record of bi-partisanship which is important to SBA and the small business communities the agency serves.

Mills is currently president of MMP Group in Brunswick, Maine. She was also a founding partner in Solera Capital, a New York – based venture capital firm.

Her appointment will be subject to confirmation by the Senate.

SBA 8(A) CLIENT AWARDED CONSTRUCTION CONTRACT

The construction contract for the new Job Corps Center in Milwaukee was awarded to DeArteaga Construction, an SBA 8(a) certified firm. The entire project was set-aside for small businesses and worth over \$28 million dollars.

DeArteaga joint ventured with their mentor Miron Construction to successfully compete for this very large project against some fairly tough national competition.

This is a true success story of how the SBA 8(a) Business Development program helps small businesses secure major contracts.

SBA OFFERS NEW ONLINE RESOURCES FOR SMALL BUSINESSES TO HELP WITH ECONOMIC RECOVERY

Entrepreneurs can take advantage of new, free online training and other resources offered by the U.S. Small Business Administration to assist them during this period of economic recovery.

The SBA offers a variety of online courses to assist small businesses in more effectively managing their firms in the current economy. The new course topics, available directly at www.sba.gov/services/training/onlinecourses, include revising business plans to reposition with current conditions, winning customers in a slowing economy, restructuring existing debt, and diversifying your customer base with federal contracts.

The most recently added course is “Downshifting in a Slowing Economy: A Business Planning Guide.” This course is designed to help business owners reorganize and streamline their business strategies. Other related business tools include a new automated business plan template, and an assessment and strategies guide for surviving in a slowing economy.

“The SBA is helping small businesses with the resources and tools they need in the current business cycle,” said Jeff Andrade, Associate Administrator for Entrepreneurial Development. “In addition, SBA offers a variety of resources and referrals to small businesses uncertain about what to do in the current economy on its Web page on Economic Recovery at www.sba.gov/helpingmainstreet.”

Each free course is self-paced, and provides practical guidance on how to stay on top of economic conditions. These and other courses can be accessed from the SBA’s Web site at www.sba.gov/training. To access them, click on “Free Online Courses,” then make a selection under the header “Surviving in a Down Economy.”

The SBA can also help to find local agency offices and lenders. Business owners can: talk with an SBA representative about financing options and identify local, participating SBA lenders; learn about SBA’s Loan Guaranty Program using an electronic guide with audio and many targeted links; and train with expert counseling and mentoring services by talking with an SBA representative or resource partner about management assistance.

FEDERAL RESERVE FACILITY WILL SUPPORT CONSUMER, SMALL BUSINESS LENDING

The Treasury and the Federal Reserve announced a plan to improve market conditions for asset-backed securities—including those composed of SBA-backed small business loans. The Plan establishes the Term Asset-Backed Securities Loan Facility, or TALF, to breathe new life into a secondary market that essentially ground to a halt in October of 2008. The TALF would make loans to investors who purchase asset-backed securities made up of small business loans guaranteed by SBA, auto loans, student loans, or credit card loans. As a result, lenders will find it easier to sell the loans they make, and use the proceeds of those sales to make new loans.

About \$4 billion in securities backed by the SBA-guaranteed loans are bought and sold in the secondary market each year, with the total outstanding amounting to about \$15 billion. At present, a share of the current year’s volume. A share of the current year’s volume of loans securitized by lenders is essentially frozen. The resulting lack of liquidity hampers the ability of some of SBA’s lending partners to make new SBA-backed loans.

The loans that investors will receive from TALF through this new action can be used to purchase these securities from brokers.

IDENTIFICATION OF CORRECT BASE

SBA Procedural Notice No. 5000-1081, "One Month LIBOR Plus 3 Percent Allowed as SBA Base Rate," described the background to the addition of a new Base Rate to 13 CFR 120.214©. The interim final rule adding the new base rate to the regulation was published on November 13, 2008 (73 FR 67099). (You can view the ruling at <http://www.gpoaccess.gov/fr/>). The purpose of this notice is to clarify how a lender locates the correct One Month London Interbank Offered Rate (LIBOR) rate or the Prime rate on a monthly basis.



The modifications to SOP 50-10(5), Subpart B, Chapter 3, Paragraph 4 (Pages 145-151) that were included in SBA Procedural Notice No. 5000-1081 describing which Prime or One Month LIBOR rate is to be used read as follows:

"(4)...The Prime or LIBOR rate will be that rate which is in effect on the first business day of the month, as identified in a national financial newspaper or newspaper web-site each business day. SBA publishes the Optional Peg Rate quarterly in the Federal Register. Base Rates will be rounded to two digits with .004 being rounded down and .005 rounded up."

The same section of the SOP contains the following example:

"The rate of interest will change on the first calendar day of the adjustment period even though the rate may not be known until the second business day of that period. For example, if the first of the month is a Sunday, the base rate is the prime rate in effect on Monday. This rate will be reported in the Wall Street Journal on Tuesday, the third calendar day and second business day of the month."

In some cases, a national financial newspaper may be delayed in reporting the Base Rate for Prime or LIBOR. Thus, the rate reported by the newspaper on the first business day of the month may actually be the rate in effect a day or two earlier. The LIBOR is fixed each morning at 11 a.m. London time by the British Bankers Association, so some U.S. financial websites are able to post the current day's rate for LIBOR prior to 8 a.m. EST that same day. (Lenders should access such sites the first business day of the month to identify the correct LIBOR rate since LIBOR changes daily).

NEW IRS TAX VERIFICATION ALTERNATIVE

The Internal Revenue Service (IRS) has implemented a new expedited service through which the financial community can expeditiously confirm the income of a borrower during the processing of a loan application: Income Verification Express Service (IVES) program. Under IVES, the IRS can electronically provide tax return transcript, W-2 transcript and 1099 transcript information generally **within 2 business days** to a third party with the consent of the taxpayer.

The transcript information is delivered to a secure mailbox based on information received from a Form 4506-T. A \$4.50 fee is imposed on each transcript requested. It is expected that this process will replace the current process, which requires the manual pick-up and delivery of transcripts from the seven IRS Return and Income Verification Services (RAIVS) units located across the country.

Under the new system, transcripts will be delivered electronically using the e-Services platform via a secure mailbox. To participate in the IVES program, lenders will need to register and identify employees to act as agents to receive electronic transcripts on the lender's behalf. To establish access to a secure mailbox, lenders will need to register, which can be done through the following IRS website:

<http://www.irs.gov/jindividuals/article/0,,id=161649.00.html>. Additional information on IVES is also available from the above website or contact Leonard.fagan@sba.gov.

GOVERNMENT CONTRACTING WORKSHOP

The Wisconsin Departments of Administration, Commerce and Transportation; MATC Business Procurement Assistance Center; UW Small Business Development Center and the Small Business Administration will be sponsoring the Business Opportunities in the Government Sector (BOGS) workshop on April 21, 2009. The workshop will be held at the Monona Terrace Community & Convention Center in Madison.

Planned national economic policy is making 2009 a pivotal year for government contracting. BOGS is Wisconsin's premier workshop promoting inclusionary business practices in government contracting. The theme for this year's workshop is "Planning for Opportunities in Spite of Today's Uncertainties."

Workshops will include bonding, available Federal and State contracts, training on how to source opportunities by using the Web and Green Building Initiative. Time will be allotted for BOGS participants to have meaningful "business exchanges" to arrange "one-on-one" meetings with exhibitors and primes.

For more information and the opportunity to register for the BOGS Workshop event is available at <http://matcmadison.edu/bpac/bogs>.

SBA NOVEMBER/DECEMBER 2008 LOANS

Training

Be sure to visit <http://web.sba.gov/calendar/public/index.cfm?op=group&grp=73> for business training opportunities offered by SBA, SCORE, Small Business Development Centers, Women Business Centers, Procurement Assistance Centers and the Wisconsin Procurement Institute.

This site will become your first stop when looking for training sessions, conferences and seminars at the Federal level but also includes state, local and private activities that pertain to small business development.

SBA November & December 2008 Micro Loans

**Wisconsin Women's
Business Initiative Corp.
(WWBIC)**
2 Loans for \$20,000



Helping Main Street USA

Working through its lending partners, SBA loan programs are helping lessen the credit crunch by extending credit to small businesses across the county. Visit www.sba.gov/helpingmainstreet/index.html

Abbey Bank
Abbotsford—1 Loan for \$75,000

Alliance Bank
Lake City, MN—1 Loan for \$40,000

Altra FCU
La Crosse—4 Loans for \$534,100

American National Bank
-Fox Cities
Appleton—1 Loan for \$15,500

Associated Bank NA
Green Bay—35 Loans for \$2,746,200

Bank First National
Manitowoc—3 Loans for \$1,857,700

Bank of Wausau
Wausau—2 Loans for \$567,150

Baylake Bank
Sturgeon Bay—1 Loan for \$400,000

Charter Bank-Eau Claire
Eau Claire—1 Loan for \$100,000

Citizens Bank
Flint, MI—3 Loans for \$535,700

Citizens Bank
Hudson—1 Loan for \$150,000

Citizens State Bank of Clayton
La Crosse—1 Loan for \$600,000
Clayton—2 Loans for \$214,700

Community Bank & Trust
Sheboygan—3 Loans for \$1,659,200

Community First CU
Appleton—2 Loans for \$779,000

Cornerstone Community Bank
Grafton—4 Loans for \$495,000

Coulee Bank
La Crosse—1 Loan for \$10,000

Eagle Valley Bank NA
Saint Croix Falls
1 Loan for \$38,000

Farmers & Merchants Bank & Trust
Marinette—1 Loan for \$25,000

First Bank
Creve Coeur, MO
1 Loan for \$50,000

First Bank Financial Centre
Oconomowoc
2 Loans for \$1,125,000

First Citizens State Bank
Whitewater—2 Loans for \$115,000

First Western SBLC, Inc.
Dallas, TX—1 Loan for \$1,025,000

Hiawatha National Bank
Hager City—1 Loan for \$14,500

Hometown Bank
Fond du Lac—1 Loan for \$150,000

Integrity First Bank
Wausau—1 Loan for \$205,000

Investors Community Bank
Manitowoc—1 Loan for \$100,000

Johnson Bank
Racine—6 Loans for \$1,425,600

JPMorgan Chase Bank NA
Milwaukee—4 Loans for \$910,400

Ladysmith Federal Savings & Loan
Ladysmith—1 Loan for \$260,700

M&I Marshall & Ilsley Bank
Milwaukee—5 Loans for \$673,500

Marine Bank
Wauwatosa—2 Loans for \$374,000

Merchants Bank
Winona, MN—1 Loan for \$720,000

Mid America Bank
Janesville—2 Loans for \$1,522,000

Middleton Community Bank
Middleton—1 Loan for \$150,000

Monona State Bank
Monona—1 Loan for \$235,000

National City Bank
Cleveland, OH—1 Loan for \$166,000

National Exchange Bank & Trust
Fond du Lac—1 Loan for \$290,000

Oak Bank
Fitchburg—1 Loan for \$100,000

Oostburg State Bank
Oostburg—1 Loan for \$150,000

Park Midway Bank NA
Saint Paul, MN—1 Loan for \$87,400

Peoples State Bank
Wausau—3 Loans for \$266,000

Pioneer CU
Green Bay—1 Loan for \$185,000

Ridgestone Bank
Brookfield—4 Loans for \$2,644,400

Southport Bank
Kenosha—1 Loan for \$60,000

State Bank Financial
La Crosse—2 Loans for \$295,000

Summit CU
Madison—1 Loan for \$50,000

Superior Financial Group LLC
Walnut Creek, CA

7 Loans for \$72,500

The Baraboo National Bank
Baraboo—1 Loan for \$1,100,000

The Business Bank
Appleton—3 Loans for \$189,400

The First National Bank
Fox Valley
Neenah—2 Loans for \$90,000

The Peoples Community Bank
Mazomanie—1 Loan for \$315,000

The Riverbank
Wyoming, MN
1 Loan for \$245,600

Unity Bank
Augusta—1 Loan for \$210,000

UPS Capital Business Credit
Windsor, CT
1 Loan for \$418,000

US Bank NA
Cincinnati, OH
29 Loans for \$2,275,700

Waukesha State Bank
Waukesha—2 Loans for \$240,000

Wells Fargo Bank NA
Sioux Falls, SD
10 Loans for \$1,162,900

Wisconsin Community Bank
Madison—1 Loan for \$300,000

SBA November & December 2008 CDC Loans

**Racine County Business
Development**
Racine—1 Loan for \$226,000

**Twin Cities-Metro Certified
Development**
Vadnais Heights, MN
1 Loan for \$4,000,000

**Western Wisconsin
Development Corp.**
Almena—1 Loan for \$728,000

**Wisconsin Business
Development Finance—Monona**
14 Loans for \$8,232,000