

ARKANSAS SBA NEWS

January 2009

INSIDE THIS ISSUE:

SBA Loans to Vets	1
SBA Wins GOLD!	1
Small Business	2
How to Become an SBA Patriot Express	2
Message from the District	2
SBA Success Story	3

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SBA's Loans to Veterans a Big Success

Patriot Express, launched on June 17, 2007, builds on the more than \$1 billion in loans SBA guarantees annually for veteran-owned businesses, and the counseling assistance and procurement support the agency provides each year to more than 100,000 veterans, service-disabled veterans, and Guard and Reserve members.

Patriot Express is a streamlined loan product based on the agency's highly successful SBA Express Program, but with enhanced guaranty and interest-rate characteristics. The Patriot Express loan is offered by SBA's network of participating

lenders nationwide and features SBA's fastest turnaround time for loan approvals. Loans are available up to \$500,000 and qualify for SBA's maximum guaranty of up to 85 percent for loans of \$150,000 or less and up to 75 percent for loans over \$150,000 up to \$500,000. For loans above \$350,000, lenders are required to take all available collateral.

The Patriot Express loan can be used for most business purposes, including start-up, expansion, equipment purchases, working capital, inventory or business-occupied real-estate purchases.

Patriot Express loans feature SBA's lowest interest rates for business loans, generally 2.25 percent to 4.75 percent over Prime, depending upon the size and maturity of the loan. Local SBA district offices will have a listing of Patriot Express lenders in their areas. Details on the initiative and a list of lenders can be found at www.sba.gov/patriotexpress.

With the return of the 39th Brigade, the SBA stands ready to provide assistance through the Patriot Express and Military Reservist Economic Injury Disaster Loan (MREIDL) programs.

The SBA Helps In Interesting Ways

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



Your Small Business Resource

This year we were all honored to watch Michael Phelps win 8 Gold Medals at the Olympics in China. His name is now a house-

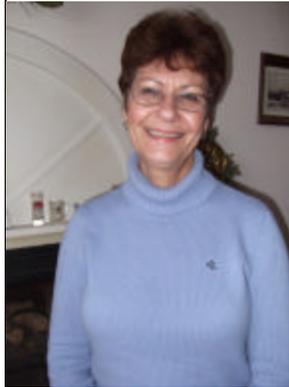
hold word. What is not common knowledge is that the Meadowbrook Aquatic & Fitness Club in Baltimore, MD, the training facility for

Olympians Michael Phelps and Katie Hoff, was financed through an SBA 504 loan in 1994.

Veteran Small Business Champion

Barbara has worked tirelessly to ensure that veterans receive the best possible assistance, support and information available.

*Contact Barbara at:
(501) 212-4089*



Barbara Lee
Arkansas National Guard
Camp Robinson
North Little Rock

Barbara works closely with the Arkansas Small Business Development Center to provide small business and entrepreneurial development assistance to Arkansas National Guard service members who are impacted by the ongoing deployments to Iraq and Afghanistan. She consistently goes above and beyond to ensure that these veteran small business owners receive the best possible assistance as they make hard decisions about the future of their business enterprises in face of year long deployments. Keenly aware of the unique hardships that extended deployments in combat situations pose to all Arkansas Citizen Soldiers, Barbara has worked tirelessly to ensure that they receive the best possible assistance, support and information available.

HOW DO I BECOME A PATRIOT EXPRESS LENDER?

Lenders that currently participate in the SBAExpress and/or PLP programs are eligible to apply for Patriot Express loan authority. Lenders that do not currently participate in the SBAExpress or PLP programs must request SBAExpress or PLP status in order to request Patriot Express approval. Detailed information is available from the Patriot Express Procedural Guide at:

http://www.sba.gov/idc/groups/public/documents/sba_program_office/bank_patriot_ex_guide.doc

FROM THE ARKANSAS DISTRICT DIRECTOR

This is the first newsletter that we have done in some time. We dedicate it to the soldiers, sailors and Air Force personnel from Arkansas that are engaged in the conflicts in Iraq and Afghanistan.

The Small Business Administration has two excellent programs – The Patriot Express and Military Reservist Economic Injury Disaster Loan Program – that are designed to help our wonderful men and women in uniform.

You have earned your stripes and we sincerely thank you for each and every one of them.

Linda R. Nelson, CPA
District Director
Arkansas District Office

SBA SUCCESS STORY

“How can we keep the doors open?” These are the words that raced in Captain Aaron Cater’s mind when he received notice that his National Guard unit had been mobilized again for duty in Iraq. As a Company Commander he knew that his world was about to get busy.

He and his wife, Sarah, faced some tough decisions. They purchased their company, NWA Media, Inc. in 2004 and had built it into a profitable operation but didn’t know how they could keep the business operational while he was doing his second extended tour of duty in Iraq with the 39th Infantry Brigade.

He contacted Herb Lawrence from the Jonesboro office of the Arkansas Small Business Development Center (SBDC) and found out about the U.S. Small Business Administration’s (SBA) Military Reservist Economic Injury Disaster Loan (MREIDL). Herb put Captain Cater in touch with Larry Brian from the Fayetteville office of the SBDC and they prepared an application for this special direct loan program.

The MREIDL was designed to help Reserve and National Guard soldiers, and their employers, that suffer substantial economic injury due to military mobilization to service. Small businesses may borrow up to \$1.5 million to cover their obligations until after the soldier is released from active duty. The amount a company can borrow is limited to the actual economic injury their business has suffered, as determined by the SBA. The interest rate on the loan is 4 percent, maximum, and the SBA will set the maturity of the loan after considering a company’s financial circumstances, up to a maximum of 30 years.

In October, 2007 the loan package was submitted and it was approved by the SBA in January, 2008.

“The loan kept us in business and gave us something for my husband to come home to,” said Sarah Cater, pregnant with their third child.

Captain Cater returned from his 12 month tour in Iraq in late December, 2008. Although running a business and being a Citizen Soldier at the same time is a challenge, he plans on staying in the Arkansas National Guard.



Captain Aaron Cater

“The loan kept us in business and gave us something for my husband to come home to,” said Sarah Cater.