

CLEVELAND DISTRICT OFFICE NEWS  
 INFORMATION FOR THE SMALL BUSINESS COMMUNITY

Inside This Issue:

<i>Loan Report</i>	1
<i>SBA Leading Lenders Honored</i>	2
<i>6th Annual Veteran Symposium a Success</i>	3
<i>News for Our Lending Partners</i>	4
<i>WANTED: Small Business Week Nominees</i>	5
<i>SBA Office of Advocacy News</i>	6
<i>SBA Provides Link to Federal Post-Disaster Contracting Opportunities</i>	7
<i>IRS '09 Small Biz Tax Calendar Ready</i>	7



Your Small Business Resource

LOAN REPORT AS OF NOVEMBER 30, 2008

**7(a) and 504 Loans Combined**

Bank	Number Approvals	Dollars (In Thousands)
Huntington National Bank	32	\$2,451
US Bank	16	\$2,617
National City Bank	14	\$1,036
Charter One Bank/RBS Citizens	13	\$1,224
KeyBank	7	\$3,223

**504 Loans**

Bank	Number 504 Approvals
Huntington National Bank	2
National City Bank	2
CF Bank	1
Charter One Bank/RBS Citizens	1
Excel National Bank	1
Haven Trust Bank	1
KeyBank	1
National Bank, Arizona	1
Ohio Commerce Bank	1
ShoreBank	1
Zions First National Bank	1

CDC	Number 504 Approvals	Dollars (In Thousands)
Cascade Capital Corp.	6	\$2,899
Growth Capital Corp.	3	\$1,345
Horizon Certified Dev. Co., Inc.	1	\$1,172
Lake County SBAC	1	\$444
Northwest Ohio Dev. Ass't.	1	\$369
SEM Resource, Inc.	1	\$1,732

**In News for Our Lending Partners:**

Implementation of SBA's Addition of LIBOR Plus 3 Percent as a Base Rate

Version 2009.1 of the 7(a) Authorization Wizard Released

Version 2009 of the 504 Authorization Wizard Released

# SBA Leading Lenders Honored

Seven leading SBA lenders in the Northern Ohio District were honored on November 21, 2008 at a special award ceremony held in downtown Cleveland. Ohio Senator Sherrod Brown provided the keynote address at the ceremony. The five top SBA lenders in Northern Ohio for FY 2008 were recognized. They were:

	# of Loans	Total Loan Dollars (in thousands)
The Huntington National Bank	264	\$45,202
Charter One Bank	164	\$8,088
National City Bank	160	\$19,884
JP Morgan Chase Bank	111	\$17,518
FirstMerit Bank	98	\$19,482



Huntington National Bank Lenders accept the "Grand Slam Achievement" Award

The Huntington National Bank received recognition for a "Grand Slam Achievement" as the top lender in four categories: # 1 Lender in total # of SBA loans, # 1 Lender in total \$\$s of SBA loans, top SBA lender to minority-owned enterprises, and the top 504 program lender participant. This is only the second time in office history that a lender has claimed the top spot in four different award categories.

SBA also recognized Growth Capital Corporation as the District's top producer of 504 program loans, and The Citizens Banking Company as the Number One Community Lender. Growth Capital Corporation produced the most 504 loan approvals (54) by a Certified Development Company in office history. Growth Capital's 504 loan approvals totaled \$18.2 million. The Citizens Banking Company, headquartered in Sandusky, was the top producing SBA lender among true community banks, with 29 SBA loan approvals for \$4.1 million.



Senator Sherrod Brown, SBA District Director Gil Goldberg and the staff of 504 Loan Leader Growth Capital Corporation



SBA's Cleveland District Director Gil Goldberg and Senator Sherrod Brown

Gil Goldberg, District Director of the U.S. Small Business Administration's Cleveland District Office, reports that his office guaranteed 1,316 small business loans, amounting to approx. \$226.0 million, during its recently completed Fiscal Year 2008. "We are delighted to recognize these lenders," stated Mr. Goldberg. "Our office appreciates the leadership shown by all of these banks in supplying capital to the area's small businesses." These seven lenders should be proud of the assistance that they provide to Northern Ohio small businesses", stated Mr. Goldberg. "Despite the current state of the economy, I am pleased to report that small businesses are still being started, expanding, and, most importantly, creating jobs. We look forward to these lenders continued participation in the SBA programs, and we will work with them with a goal of producing an even higher number of loans in FY 2009." ♦

# Annual Veteran Symposium a Success

The U. S. Small Business Administration (SBA) Cleveland District Office, working with the Northern Ohio Procurement Technical Assistance Center (PTAC), held its 6<sup>th</sup> annual Veteran Business Symposium on November 13, 2008 at the Student Center of Kent State University in Kent, Ohio.

More than 400 Veterans, Guard and Reserve members, active military and spouses from 10 states attended the conference. The Veteran Business Symposium has grown over the past six years to become one of the largest veteran-focused small business events in the country.

Gil Goldberg, District Director of the Cleveland District Office (SBA), spoke at the symposium. "Our veterans make great entrepreneurs and we need to help them achieve their dreams," said Mr. Goldberg, "If those who served want to start a business or expand their business, we have brought together an array of resources and buyers for them at this event. Veteran business ownership, financing and contracting are a major focus at SBA."

The all-day event provided attendees an opportunity to gain direct access to a variety of business development resources, learn about government contracting opportunities, and other incentives for veterans. More than 50 exhibiting organizations were on hand, including buyers from Eaton Corporation, FirstEnergy, Lockheed Martin, Rockwell, General Services Administration, the Department of Defense, and the Department of Homeland Security. Topics discussed included selling to



*SBA's Business and Economic Development Manager Jim Duffy discussed Agency programs with attendees.*



*A special POW/MIA ceremony was conducted by the Lorain Southview High School Junior ROTC.*



*SBA Cleveland Veteran Representative John Renner presented government contracting seminars.*



*Rick DeChant, Executive Director, Veteran Services and Programs at Cuyahoga Community College served as emcee.*



*Over 400 veterans and their spouses turned out for the Symposium.*



*More than 50 exhibiting organizations were on hand, including buyers from Eaton Corporation, FirstEnergy, Lockheed Martin, Rockwell, General Services Administration, the Department of Defense, and the Department of Homeland Security.*

large buyers, selling to Federal government agencies, marketing research, and a number of other topics. William Hartnett, the Director of the Ohio Department of Veterans Services, discussed the State's efforts to support veterans and veteran-owned businesses. A session also focused on "Weathering the Financial Storm" as a small business owner. One of the touching highlights of the symposium was a special Prisoner of War, Missing in Action Ceremony conducted by the Lorain Southview High School Junior ROTC. ♦

# News for Our Lending Partners

## *Implementation of SBA's Addition of LIBOR Plus 3 Percent as a Base Rate*

On November 13, 2008, SBA published an interim final rule that changed the definition of "base rate" set out in 13 CFR 120.214(c) to allow a new optional base rate: One Month LIBOR plus 3 percentage points ("LIBOR Base Rate"). On November 14, 2008, SBA issued Procedural Notice 5000-1081 to explain the addition of the LIBOR Base Rate.

In addition to adding a new base rate, under the revised regulation, the base rate in effect on the first business day of the month will determine the basis for the initial interest rate for any loan application received by SBA during that month. (Historically, the initial interest rate was determined as of the date the loan application was received by SBA.)

As a result of these changes, SBA has revised the relevant loan application forms as well as the Loan Authorization to accommodate the new LIBOR Base Rate. SBA Form 1920SX - Part B (Supplemental Information for SBA Express, Pilot Loan Programs and PLP Processing), SBA Form 2238 SBA Express/Patriot Express Guaranty Request (Eligibility Authorized), and SBA Form 2301 (Part B) (Lender Advantage Initiative - Lenders Application for Guaranty) have replaced "P + \_\_\_\_\_" with the following data requirements. (SBA Form 4-I, Lender's Application for Guaranty or Participation, already has a space in which to identify the optional base rate.)

oPrime rate\* = \_\_\_\_\_ + Spread \_\_\_\_\_ = Loan Interest Rate: \_\_\_\_\_

oLIBOR \*(1 month) + 3.0% = \_\_\_\_\_ + Spread \_\_\_\_\_ = Loan Interest Rate: \_\_\_\_\_

oSBA Peg Rate = \_\_\_\_\_ + Spread \_\_\_\_\_ = Loan Interest Rate: \_\_\_\_\_

\*Rate in effect on first business day of month as identified in a national financial newspaper or website.

For example, if an application is received by SBA in November of 2008 (on or after the effective date of Notice 5000-1081), the following would be the applicable base rate options:

**Prime:** 4.0 % (as in effect on the first business day of November)

**LIBOR:** 2.36 % (as in effect on the first business day of November) + 3.0 % = 5.36

**SBA Peg Rate:** 4.63 % (as in effect for the period between October 1, 2008 and December 31, 2008)

The applicable loan interest rate would then be the "base rate + the spread."

As noted in Notice 5000-1081, these changes are applicable to 7(a) loan applications that lenders may currently have internally in process, but they are not applicable to loan applications that have already been received by SBA or loan applications that have been approved by SBA. As a result, lenders cannot change the base rate of an existing SBA-guaranteed loan through a servicing action.

## *Version 2009.1 of the 7(a) Authorization Wizard Released*

SBA is replacing the recently released Version 2009 of the National 7(a) Authorization Wizard and Boilerplate with Version 2009.1. This change is being made in order to accommodate the recent addition of One Month LIBOR plus 3 Percent as an allowable Base Rate option (as specified in Notice 5000-1081) and to include the requirement that the interest rate to use when ascertaining the base rate component of the initial rate is the interest rate in effect on the first business day of the month in which SBA receives the application (as specified in Notice 5000-1082) rather than the rate in effect on the actual day the application is received by SBA. The differences between the two versions of the Authorization Wizard and Boilerplate are outlined in the "What's New" Section of the Authorization.

Beginning Monday, November 24, 2008, Version 2009.1 of the 7(a) Wizard and Boilerplate will be available for use by SBA. On that date SBA will start using Version 2009.1 for all loan authorizations it writes. Lenders may access Version 2009.1 of the 7(a) Authorization by going to the SBA Banking website, [www.sba.gov/banking](http://www.sba.gov/banking) and clicking on the 'Authorizations' hyperlink or by using [www.sba.gov/aboutsba/sbaprograms/elending/authorizations/](http://www.sba.gov/aboutsba/sbaprograms/elending/authorizations/).

Lenders who prepare 7(a) Authorizations using the Wizard have through the close of business on December 31, 2008 to convert to this new version. Beginning January 2, 2009, all 7(a) loans must be authorized with Version 2009.1, except those processed under Express or Pilot Loan Program procedures where the lender is not required to use the Wizard to construct an Authorization.

The 7(a) Wizard Version 2009.1 is compatible with Word 2003 (11) and will operate in Word 2000 (9) and Word 2002 (10). However, this version of the Wizard is not compatible with Word 2007 (12).

If you have any questions regarding the 7(a) Authorization, please submit your questions to the 7(a) Authorization e-mail box at [Auth-7a@sba.gov](mailto:Auth-7a@sba.gov).

### *Version 2009 of the 504 Authorization Wizard Released*

SBA is replacing Version 2008 of the National 504 Loan Authorization Boilerplate and Wizard with Version 2009, and it will be available for use by SBA to prepare 504 Authorizations on Thursday, November 6, 2008. Any 504 Authorization prepared by SBA on or after November 6, 2008 will use Version 2009. The differences between these two versions are outlined in the "What's New" section of the Authorization.

On November 6, 2008, CDCs may access and review Version 2009 of the 504 Authorization by going to the SBA Banking website, [www.sba.gov/banking](http://www.sba.gov/banking), and clicking on the Authorizations hyperlink or by using [www.sba.gov/aboutsba/sbaprograms/elending/authorizations/](http://www.sba.gov/aboutsba/sbaprograms/elending/authorizations/). While SBA will not require delegated CDCs that prepare 504 Authorizations to begin using Version 2009 of the 504 Authorization until December 1, 2008, SBA strongly encourage CDCs to begin using Version 2009 as soon in November as possible.

Version 2009 of the 504 Wizard is compatible with Word 2003 (11) and will operate in Word 2000 (9) and Word 2002 (10). However, Version 2009 of the Wizard is not compatible with Word 2007 (12).

Questions regarding the 504 Authorization should be submitted to the 504 Authorization e-mail box at [Auth-504@sba.gov](mailto:Auth-504@sba.gov).

*If you have any questions on this or any SBA loan matter, please contact our Lender Relations division at (216) 522-4180.*

## WANTED: National Small Business Week Nominees

In recognition of the small business community's contribution to the American economy, the President of the United States designates one week each year as National Small Business Week. As part of this special week, SBA presents awards to deserving entrepreneurs and small business champions/advocates at the district, state and national levels. We are already beginning our preparations for Small Business Week '09, but we need your help making the week a success! We are seeking nominees for the awards that will be distributed during Small Business Week. If you know of someone deserving of consideration for these prestigious awards, please contact Jim Donato at (216) 522-4180, ext. 215. Jim can provide details of the nomination process. We hope to accept applications for various award categories, including Small Business Person of the Year, Small Business Exporter of the Year, Financial Services Champion of the Year, Minority Small Business Champion of the Year, Women in Business Champion of the Year, Veteran Small Business Champion of the Year, Small Business Journalist of the Year, SBA Family-owned Small Business of the Year, and others. We know we have great small businesses and small business champions here in the area - let's see if we can get one recognized at the National level during Small Business Week '09!!!♦

## SBA Office of Advocacy News

### *Small Business Continues to Nominate Federal Rules in Need of Review and Reform: Approaching December 31st Deadline for Nominations*

Small businesses and their representatives are continuing to nominate federal rules in need of review and reform. Nominations for the 2009 Top 10 Rules for Review and Reform are being received from across the country and a variety of industries. They are in response to the Office of Advocacy's Regulatory Review and Reform (r3) initiative.

"Momentum is building for the second year of the r3 initiative Top 10," said Shawne McGibbon, acting Chief Counsel for Advocacy. "With the success of last year's Top 10, small business understands that making constructive suggestions for how to improve current rules can result in federal agency action."

The 2008 Top 10 rules included several that have been reviewed and reformed during the year. For example, in October the EPA encouraged small business to recycle and reclaim their spent materials by reforming the "definition of solid waste." By reviewing and reforming the definition, EPA is encouraging recycling rather than disposal of certain spent materials.

Moreover, Congress also recognizes the potential the r3 initiative has for unburdening small business in a time of economic uncertainty. In July, Chairman Charles Gonzalez (D-TX) of the Regulations, Healthcare, and Trade Subcommittee of the U.S. House Small Business Committee held an oversight hearing on "Regulatory Burdens on Small Firms: What Rules Need Reforms?" that examined the 2008 r3 Top 10 Rules for Review and Reform.

That hearing resulted in the introduction of the Home Office Tax Deduction Simplification and Improvement Act (H.R. 7074). The bill simplifies the home office deduction by introducing a standard deduction for small business owners. It is companion legislation to S. 3371, introduced earlier this year by Senator Olympia Snowe (R-ME). Simplification of the home office deduction was one of the 2008 Top 10 nominations. The Office of Advocacy of the U.S. Small Business

Administration is still seeking nominations of federal rules in need of review and reform. Early next year, the Office of Advocacy will transmit the 2009 Top 10 rules nominated by small business owners, trade associations, to the appropriate federal agencies for review and reform.

Nominate regulations needing review and reform by visiting the Office of Advocacy r3 website at [www.sba.gov/advo/r3](http://www.sba.gov/advo/r3), by sending an email to [advocacy@sba.gov](mailto:advocacy@sba.gov), or by calling Keith Holman at (202) 205-6933. Nominations are due by December 31, 2008.

### *New Small Business Blog Launched by Advocacy: Small Business Community Encouraged to Join the Conversation*

The Office of Advocacy has launched a new small business blog focusing on regulatory issues, small business research, state regulatory activity, and more. "The Small Business Watchdog" can be found at <http://weblog.sba.gov/blog-advo>.

"We are excited about the fact that the Office of Advocacy is using social media and Web 2.0 techniques to help join together the small business community across the country," said Shawne McGibbon, Acting Chief Counsel for Advocacy. "We anticipate that the conversation that arises out of our blog will help everyone who advocates on behalf small business."

Advocacy encourages all small business owners and other stakeholders to check out the Small Business Watchdog and let us know how we are doing by leaving a comment. We welcome the entire small business community to join the conversation.

The Office of Advocacy examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. It is the source for small business statistics presented in user-friendly formats, and it funds research into small business issues. For more information, visit <http://weblog.sba.gov/blog-advo>. ♦

## SBA Provides Link To Federal Post-Disaster Contracting Opportunities For Small Businesses

Information about federal contracting opportunities for small businesses able to support post-disaster cleanup and rebuilding in areas devastated by recent storms and flooding is now accessible through the U.S. Small Business Administration's Disaster Contracting Assistance Center. The DCAC provides a central point of reference for small businesses, particularly minority, women and veteran-owned businesses, to register for and learn about federal contracting opportunities.

"A vast area—from the Gulf States to the Midwest—suffered millions of dollars in property damage when these massive storms struck, and the rebuilding projects will stretch well into next year," said Acting SBA Administrator Sandy K. Baruah. "We want to make sure small businesses have the opportunity to seek federal contracting dollars, armed with detailed information that will make it possible for them to take advantage of the network of available resources."

Business owners can visit the Web site at [www.disastercontractingassistance.gov](http://www.disastercontractingassistance.gov) for a detailed look at how to seek government contracts. Also on the main page is a link to FedBizOpps, which allows businesses to sign up for e-mail notification of open contracts related to specified fields. In addition, steps on how to register for a Data Universal Number System identification number from Dun & Bradstreet, and information on how to sign up with the Central Contractor Registration—which establishes a company's eligibility to seek federal contracts—are provided on the DCAC site. The site also provides information on prevailing wages in construction contracts, sub-contractor information and federal acquisitions regulations.

The DCAC can be contacted by phone at 1-888-4USADOC (1-888-487-2362) Monday through Friday 8 a.m. to 9 p.m. EST, and 9 a.m. to 9 p.m. EST Saturday and Sunday. Contact the center by e-mail at [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov). For more information about SBA's Disaster Assistance program, visit the Web site at [www.sba.gov/services/disasterassistance](http://www.sba.gov/services/disasterassistance). ♦

## IRS's Latest Hot Product, '09 Small Biz Tax Calendar, Ready for Businesses

The IRS 2009 Small Business/Self-Employed Tax Calendar is stocked and ready to go. With its professional illustrations, in-depth business tax information, and day-to-day reminders for which business taxes are due when, the 12-month wall calendar has always been a popular item. The calendar is FREE.

Small business and self-employed taxpayers can also download the business tax dates and reminders directly to their Microsoft Outlook calendars, and access the calendar via electronic organizers and portable hand-held devices.

New 2009 topics include:

- The 2008 Economic Stimulus Act
- Section 179 Expensing
- Minimizing Identity Theft
- Disaster Recovery for Small Businesses

To order, visit the tax calendar ordering page at <http://www.irs.gov/businesses/small/page/0,,id=82780,00.html> on IRS.gov or call the National Distribution Center at (800) 829-3676. Early orders are being accepted for the Spanish version. The tax calendar will be available online at <http://www.irs.gov/formspubs/lists/0,,id=97819,00.html> by early December and in Spanish (Pub 1518SP) by mid-November.

To get the latest IRS information and learn about IRS products and services as they become available, start a FREE subscription to e-News for Small Businesses; just go to IRS.gov at <http://www.irs.gov/businesses/small/content/0,,id=154826,00.html>, type in your e-mail address and submit. ♦