

# CARIBBEAN E-OUTLOOK

December 2008

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



Your Small Business Resource

## SBA INJECTS MORE THAN \$69 MILLION TO PRVI IN FY 2008

*Despite Economic Downfall, Agency Helps Retain 1,500 Jobs*

The U.S. Small Business Administration contributed over \$69 million to the economies of Puerto Rico and the Virgin Islands during fiscal year 2008, by providing loan guarantees to nearly 600 small business owners seeking financial assistance, District Director José R. Sifontes recently announced.

With the support of SCORE, the Puerto Rico Small Business & Technology Development Center, the Women's Business In-

stitute and the Virgin Islands Business Development Center, the SBA district office provided counseling and training to over 10,000 individuals seeking to start or expand a small business.

"The SBA continues to promote entrepreneurship and small business success as we work through the challenges brought on by a dormant economy," Sifontes said. "Our participating lenders and network of resource partners have helped us

generate or retain close to 1,500 jobs, an extraordinary accomplishment during these difficult times."

During fiscal year 2008, the district office increased its outreach efforts to Veterans and members of the military community, providing assistance to 1,650 Service men and women by means of orientation and training, as well as through the SBA's Patriot Express and Military Reservists Economic Injury Disaster

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### SBA HOLDS FIRST LENDERS ROUNDTABLE OF FY09 IN PR

In recent weeks, the Puerto Rico office held its first Lender's Roundtable of fiscal year 2009, to update participating lenders, Certified Development Companies and resource partners on the SBA's achievements as of September 30. Also, district office management briefed attendees on goals for the new year and agency initiatives to increase the span of our programs and services.

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Loan programs. Also, the agency implemented strategies to help overcome the general financial crisis by designing new programs that will encourage SBA participating lenders to continue offering credit to small businesses.

“We have taken steps to increase the span of our services, train new lenders and promote new programs such as the Small/Rural Lender Advantage,” Sifontes added. “By targeting credit unions and smaller lending institutions we are reinforcing our commitment to helping banks expand access to private capital for entrepreneurs in small communities.”

Aimed at fostering greater economic development, the Small/Rural Lender Advantage is part of the agency’s 7(a) loan program and encourages smaller and/or rural lenders (lenders making 20 or fewer SBA loans a year) to offer SBA loans by streamlining the SBA’s loan application and approval processes.

## MESSAGE FROM THE DISTRICT DIRECTOR

In a few weeks we will bid farewell to 2008. As we reflect on the times past, we are thankful for our accomplishments — big and small.



District Director José R. Sifontes

With every action set forth by our staff, a new job was created, an existing small business was able to expand and new ventures were started. More importantly, our tireless and dedicated efforts have left an indelible imprint in the economies that we help foster in Puerto Rico and the U.S. Virgin Islands.

We look forward to continue serving the small business community with the same enthusiasm that

has characterized us for the past 52 years. To help small businesses start, grow and succeed; that is our goal. It is now more clear than ever.

From our family to yours, a safe and happy holiday, and our very best wishes for the New Year!

Until then,

## MILITARY RESERVIST WORKING CAPITAL LOAN PROGRAM EXPANDED

Effective October 28, the SBA’s Military Reservist Economic Injury Disaster Loan (MREIDL) program became more accessible to small businesses facing financial loss when the owner or essential employee is called to active military duty by extending the application period, increasing the unsecured loan threshold, and raising the maximum loan limit.

Under the legislative changes, a small business can apply for an MREIDL on the date the essential employee

receives notice of the expected call-up. The application period is extended to one year after the essential em-

ployee is discharged from active duty, an increase from the previous 90-day application window. In addi-



SBA Veteran’s Business Development Officer Ana María Vera provides orientation to veterans at an event hosted by the Puerto Rico Veteran’s Ombudsman, in Gurabo.

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## MECHANICAL ENGINEER IS PUERTO RICO'S MINORITY SMALL BUSINESS PERSON OF THE YEAR

As part of Minority Enterprise Development Week celebrations, the SBA's Puerto Rico office bestowed its Minority Small Business Person of the Year Award upon Rafael Ramírez, president of CGN Engineering Corporation.

Specialized in mechanical engineering, with a Bachelor's Degree from the University of Puerto Rico, Mayagüez Campus,

Ramírez began his professional career in 1979 when he joined Baxter Laboratories as production supervisor. Since then, Ramírez occupied various positions in the construction and engineering industries up to 1999 when he established his own firm.

After becoming certified



under the SBA's 8(a) Business Development Program in 2000, Ramírez began to expand his company by fulfilling

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tion, the small business is no longer required to pledge collateral to secure an MREIDL of \$50,000 or less. Previously, the business was required to put up collateral if the loan amount exceeded \$5,000. The Small Business Disaster Response and Loan Improvements Act also increased the MREIDL cap from \$1.5 million to \$2 million.

The MREIDL is a direct working capital loan, and the funds may be used to cover operating costs until the essential employee or business owner is released from active duty. An "essential employee" is defined as an individual (whether or not the owner of the small business) whose managerial or technical skill is critical to the successful daily operation of the business.

The interest rate on these working capital loans is 4 percent, with terms up to a maximum of 30 years. Businesses can apply online by going to the Web site at [www.sba.gov/services/disasterassistance](http://www.sba.gov/services/disasterassistance).

### PR & U.S. VI LOAN PRODUCTION AS OF NOVEMBER 30, 2008

Lender / CDC	Loans	\$\$\$ Value
Banco Popular de Puerto Rico (includes VI)	22	\$1,080,400
PYMES Financial Partners*	9	\$3,619,000
Banco Santander Puerto Rico	7	\$554,400
Scotiabank Puerto Rico	5	\$470,000
COFECC*	2	\$352,000
FirstBank (includes VI)	2	\$344,400
Banco Bilbao Vizcaya Argentaria	1	\$565,000
Economic Development Bank for PR	1	\$302,000
PR Business Development Corp.*	1	\$187,000
Borrego Springs Bank, N.A.	1	\$50,000
Superior Financial Group, LLC	1	\$7,500
<b>TOTAL</b>	<b>52</b>	<b>\$7,531,700</b>

\* Indicates CDC

## SBA DISASTER LOANS AVAILABLE FOLLOWING SECRETARY OF AGRICULTURE DISASTER DECLARATION IN PUERTO RICO

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contracts for the U.S. Army Corps of Engineers and the Veterans Affairs Administration.

“Mr. Ramírez is a fine example of successful minority entrepreneurship,” said District Director José R. Sifontes. “With dedication and perseverance he has led a relatively new business to compete alongside bigger contractors and earned the respect of other industry players along the way.”

CGN Engineering has provided employment to more than 150 individuals throughout the years and has undertaken projects in such diverse scenarios as the beverage industry, stream banks, hospitals, industrial works, office buildings and parking facilities.

Ramírez’s work related merits include compliance recognition from the Food and Drug Administration (FDA) and safety awards in the construction field, to mention a few.

For more information on SBA’s 8(a) Business Development Program visit [www.sba.gov/8abd](http://www.sba.gov/8abd) or call (787) 766-5572.

Federal economic injury disaster loans are now available to small businesses, small agricultural cooperatives and most private, non-profit organizations of all sizes located in Puerto Rico as a result of excessive rain, landslides, mudslides, flooding and high winds resulting from a tropical depression that occurred from September 18 through 25, 2008.

These loans are available in the following municipalities: Adjuntas, Barranquitas, Cayey, Comerío, Corozal, Guánica, Gurabo, Jayuya, Lajas, Las Marías, Las Piedras, Maricao, Maunabo, Naranjito, Orocovi, Patillas, Río Grande, Sabana Grande, Salinas, San Lorenzo, Santa Isabel, Utuado, Villalba, Yabucoa, and Yauco.

The contiguous municipalities also qualify: Aguas Buenas, Aibonito, Añasco, Arecibo, Arroyo, Bayamón, Cabo Rojo, Caguas, Canóvanas, Carolina, Ceiba, Ciales, Cidra, Coamo, Culebra, Guayama, Guayanilla, Hatillo, Hormigueros, Humacao, Juana Díaz, Juncos, Lares, Loiza, Luquillo, Mayagüez, Morovis, Naguabo, Peñuelas, Ponce, San Germán, San Sebastián, Toa Alta, Tru-

jillo Alto, and Vega Alta.

“When the Secretary of Agriculture issues a disaster declaration to help farmers recover from damages and losses to crops, the Small Business Administration issues a declaration to assist small businesses and most private, non-profit organizations affected by the same disaster,” said Frank Skaggs, Director of SBA’s Field Operations Center East.

Under this declaration, the SBA’s Economic Injury Disaster Loan program is available to farm-related and nonfarm-related small business concerns, small agricultural cooperatives, and most private, non-profit organizations of all sizes that suffered financial losses as a direct result of this disaster. Farmers and ranchers are not eligible to apply to the SBA.

Eligible small businesses and non-profit organizations may qualify for loans up to \$2 million. These loans are available at a 4 percent interest rate with loan terms up to 30 years.

The SBA determines eligibility based on the size of the applicant, type of activity and its financial

resources. Loan amounts and terms are set by the SBA and are based on each applicant’s financial condition. Under this disaster declaration, the SBA cannot provide loans to agricultural producers.

Disaster victims should contact the SBA’s Customer Service Center by calling 1-800-659-2955 (1-800-877-8339 for the hearing-impaired) Monday through Friday from 8 a.m. to 9 p.m., and Saturday and Sunday 9 a.m. to 9 p.m. EST or by emailing our customer service center at [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov).

Loan applications can be downloaded from the SBA’s website at [www.sba.gov/services/disasterassistance](http://www.sba.gov/services/disasterassistance). Completed applications should be mailed to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

Victims may visit SBA’s secure website at <https://disasterloan.sba.gov/ela/> to apply for disaster loans.

Completed loan applications must be returned to SBA no later than July 20, 2009.