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West Virginia Calendar of Events:
<http://app1.sba.gov/calendar/states/calendar.cfm?op=group&grp=72>

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- TDD: 704-344-6640
- Your rights to regulatory fairness:
1-888-REG-FAIR
- SBA Home Page: www.sba.gov

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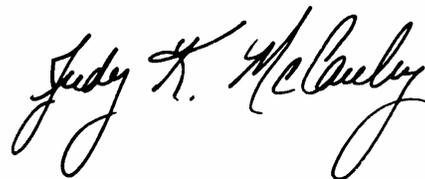
MESSAGE FROM WEST VIRGINIA ACTING DISTRICT DIRECTOR...JUDY K. MCCAULEY

I would like to take a few moments to introduce myself and make you aware of some important upcoming events. I'm Judy McCauley and was recently named acting district director for the West Virginia District Office. Being a native West Virginian and a mother, I am thrilled at the prospect of becoming more involved in the economic development of West Virginia and the creation of new, higher paying, and more technical jobs. My experience with SBA's Office of Government Contracting has provided me a good knowledge of the issues and concerns that face our small businesses. I believe that through strategic planning and working with our resource partners we can make a positive impact on the small business community in West Virginia.

Beginning this year, and through 2004, the SBA will be celebrating its 50th anniversary. Through SBA's 50 years of existence, SBA has provided financial assistance to nearly 1.2 million entrepreneurs enabling them to fulfill their dreams and thrive as small business owners. West Virginia has been chosen as one of 11 sites across the nation to host a 50th Anniversary celebration. On March 8, 2004, SBA's administrator, Hector Barreto, will be in Morgantown to host our 50th Anniversary celebration and economic growth tour. This forum will provide entrepreneurs and small business owners the opportunity to meet with local bankers, venture capitalists, resource and trade partners, and SBA staff to obtain information on starting or growing a small business. Please mark March 8, 2004 on your calendars and plan on joining us in Morgantown to help celebrate 50 years of assisting the small business community and make your voice known as to how we can provide better or enhanced support for another 50 years.

Another important upcoming event is National Small Business Week. This event, which will be held in May, provides us the opportunity to demonstrate our appreciation and recognize the commitment and service that West Virginia's small business community provides in terms of economic and community impact as well as employment opportunities. If you know of a hard working small business owner or advocate that deserves recognition, please take a few moments and sponsor them for one of these prestigious awards. Additional information is contained within this newsletter.

Please feel free to contact me with any ideas or concerns that you may have on how we can best serve the West Virginia small business community.



SBA Lending Up Nationally And In West Virginia

A record number of small businesses turned for credit assistance to the SBA over the past fiscal year. Nationally, there was a 29 percent increase in the total number of loans backed by SBA with a sharp increase in lending to women, minorities and veterans. In West Virginia, lending reflected a 40 percent increase over last year.

The overall increase in loan approvals under SBA's three major loan programs, the 7(a) General Business Loan Guaranty program, the Certified Development Company (or 504) loan program and the Microloan program, was 29.8 percent, reflecting an increase to 76,465 loans in FY 2003.

In total, loans to small businesses owned by minorities increased by 38 percent nationally and by 50 percent in West Virginia. Within that total, loans to African Americans increased by 61 percent nationally and 150 percent in West Virginia; loans to Asian Americans increased by 31 percent nationally and remained steady in West Virginia; loans to Native Americans increased by 18 percent nationally and by 50 percent in West Virginia.

Loan approvals for women small business owners increased by 33 percent nationally and by 100 percent in West Virginia and loans to veteran-owned small businesses rose by 22 percent nationally and 200 percent in West Virginia.

The top lenders in West Virginia for fiscal year 2003 were:

1. Bank One – 24 loans for \$4.3M
2. Huntington National Bank – 24 loans for \$3.9 M
3. Innovative Bank – 22 loans for \$135K
4. WesBanco – 19 loans for \$2.3M
5. BB&T – 10 loans for \$2.6M
6. United National Bank – 10 loans for \$1.1M
7. Community Bank – 7 loans for \$707K

8. First National Bank – 6 loans for \$1.4M
9. Progressive Bank – 6 loans for \$562K
10. Capital One – 5 loans for \$225K
11. Citizens National Bank – 4 loans for \$2.0M
12. Guaranty Bank & Trust – 4 loans for \$588K
13. Fifth Third Bank – 4 loans for \$577K
14. City National Bank – 4 loans for \$377K

The West Virginia District Office is reinstating the "Crystal Award" for the top lender in fiscal year 2004. Further details will be forthcoming.

West Virginia disaster funding totaled 570 loans for \$9.4M to small businesses and individuals affected by disasters in fiscal year 2003. That number ranked West Virginia second out of eighteen states covered by Disaster Area Office 1 located in Niagara Falls, NY. Only New York City received more disaster assistance, which was mostly economic injury lending as a result of the 9/11 disaster.

For more information on the disaster program, visit the SBA's disaster web site at www.sba.gov/disaster or contact the disaster office at 1-800-659-2955.



Economic Growth Tour To Make Stop In West Virginia

The SBA has launched an 11-city economic growth tour to meet with local entrepreneurs across the country and discuss issues important to spurring job creation. West Virginia will be hosting Region III's event on Monday, March 8, 2004 at the Radisson Hotel in Morgantown.

The events are also being held as part of SBA's 50 years of commitment to America's entrepreneurs. These events will provide small business owners the opportunity to network and express their ideas to government policy makers. There will be a luncheon with officials from the SBA and representatives from local community to discuss the challenges of owning a small business and how to improve opportunities for entrepreneurs.

Since 1953, the SBA has helped more than 20 million Americans start, grow and expand their businesses – placing more than \$232 billion in direct or guaranteed loans and venture capital into the hands of entrepreneurs. For more information about SBA's 50th anniversary, go online to www.sba.gov/50 or contact the West Virginia District Office at 304-623-5631 or via email at wvinfo@sba.gov.

Wanted: Small Business Week Nominations

In recognition of the small business community's contribution to the American economy and society, the President of the United States designates one week each year as National Small Business Week.

The West Virginia District Office will be recognizing and honoring their award recipients on May 19. WE NEED NOMINATIONS!

We are looking for outstanding small business owners or small business advocates for recognition for their contributions to the community. Nominations are being sought for **Small Business Person of the Year***, **Entrepreneurial Success***, **Financial Services Advocate**, **Home-based Business Advocate***, **Minority Small Business Advocate**, **Research Advocate**, **SBA Young Entrepreneur (under age 30)***, **Small Business Exporter**, **Small Business Journalist**, **Veteran Small Business Advocate**, and **Women in Business Advocate Awards** (*Financial criteria required). Advocates are individuals who have fulfilled a commitment to the advancement of small business

opportunities for their respective groups through their professional activities.

If you would like to nominate a deserving small business owner or advocate for one of the above categories or need additional information, please contact the West Virginia District Office at 1-800-767-8052 ext. 8 and ask for information on Small Business Week 2004. You can also request information via email at wvinfo@sba.gov.

Completed forms must be received in the West Virginia District Office by no later than Friday, December 19, 2003.

West Virginian Named National Women Advocate

Diane Browning, president of Appalachian By Design (ABD) located in Lewisburg, was named as SBA's National Women In Business Advocate for 2003. Browning was recognized during the SBA's National Entrepreneurial Conference & Expo held in Washington DC on September 17-19, 2003.

ABD was created by Browning as a means to empowering women who work full time and earn less than \$20,000 annually. She created a new industry in West Virginia through home-based knitting businesses and has worked for 10 years to develop a network of these businesses.

Browning has been able to develop support from a diverse group of funding partners, including the USDA, ARC, the Governor's Guaranteed Workforce Program, and SBA-PRIME. ABD provides a technical training program free or at low cost. More than 175 people have received training since 1994, and 110 have had businesses in operation for two or more years.

To make the network of knitters more competitive, Browning opened a production center to finish and ship the network's finished goods, bringing the unit price down by 25 to 30 percent. Sales of ABD products quadrupled from their introduction in 1997 to 2000.

Congratulations Diane!

The SBA Loan Closing Process Revisited

With the advent of the National 7a Authorization Boilerplate and Wizard and other recent regulatory and policy enactments by SBA, the loan closing process has become more streamlined and user-friendly for lenders. The number of closing documents that lenders once submitted to SBA has been significantly reduced, and lenders have been given the opportunity, with some exceptions, to use their own forms for much of the closing process. SBA is placing greater reliance upon the lender's knowledge and expertise, while taking on a more enhanced oversight role.

For example, a Lender may now use its own forms for loan closing except for the following:

- SBA Form 147, Note
- SBA Form 148, Guaranty (if applicable)
- SBA Form 1050, Settlement Sheet
- SBA Form 159, Compensation Agreement
- SBA Form 722, Equal Opportunity Poster
- SBA Form 793, Notice to New Borrowers
- SBA Form 601, Agreement of Compliance (if applicable)

The lender may use computer-generated versions of all of these mandatory forms as long as these versions are exact reproductions. The former SBA Form 2004 is no longer a requirement, and the lender now submits the SBA Form 159 for non-PLP loans to the SBA immediately after final disbursement.

The latest version of the 7(a) Authorization was released on September 8, 2003. You can access it electronically at www.sba.gov/banking, or you can obtain a copy from the West Virginia District Office. The Wizard is a technical tool intended to make it easier for SBA loan officers and lenders to create authorizations based on the

Boilerplate. Lenders may use the Wizard or may automate the Boilerplate with other software.

SBA continues to review the Boilerplate and Wizard as regulations change and new policies implemented. We will strive to keep our lending partners abreast of all changes as they occur. We welcome the opportunity to do training for your staff as you deem it necessary. Contact our District Counsel, Steve Glass, at (304) 623-5631 x229 or via email at Stephen.glass@sba.gov.

Lender Compliance with Treasury Requirements for Customer ID Programs

On October 26, 2001, President Bush signed into law the USA Patriot Act (Public Law 107-56). Section 326 of the Act, codified at 31 U.S.C. 5318, requires the Secretary of Treasury to prescribe regulations setting forth minimum standards for financial institutions to apply in verifying the identity of customers, in order to facilitate the prevention, detection and prosecution of international money laundering and the financing of terrorism.

On May 9, 2003, the U.S. Department of Treasury, through the Financial Crimes Enforcement Network (FinCEN), along with several other agencies, issued a Joint Final Rule applicable to Banks, Savings Associations, Credit Unions, and certain Non-Federally Regulated Banks, requiring those lenders to implement a Customer Identification Program (CIP) by October 1, 2003. (Emphasis added) Those lenders subject to the Joint Final Rule are defined in 31 CFR 103.121 (a) (2). The Joint Final Rule requires the CIP procedures to cover customers opening an account, including a credit account, with the lender.

This is a reminder to those lenders who participate with SBA through the guaranty loan program that SBA 7(a) Guaranty Loans and third party financings made in conjunction with SBA 504 loans are subject to the provisions of 31 CFR 103,121. SBA lenders are also advised that when making an SBA loan, they must continue using the SBA Form 912, *Statement of Personal History*, where applicable, in addition to any customer identification steps taken pursuant to their CIP.

SBA is also informing SBA lenders not covered by the Joint Final Rule that it intends to shortly issue a Notice regarding the applicability of CIP requirements to these lenders. In the interim, SBA expects these lenders to begin planning a CIP.

Lenders are encouraged to monitor FinCEN's USA PATRIOT ACT regulatory activity by visiting the FinCEN website at <http://www.fincen.gov>. A copy of the Joint Final Rule, as published in the *Federal Register* on May 9, 2003, can be located at the following link: <http://www.fincen.gov/326bankfinal.pdf>.

Lender Training

GOT A LOAN DEAL...NEED SBA HELP? NOW!

Try our Bankers Institute Training scheduled at your convenience. Simply bring your potential SBA loan deal to our office and work with an SBA loan specialist for a day. Meet other staff members and return home with an approved SBA loan guarantee. Call Roger Britton at (304) 623-5631 x 226 for information and to schedule.

District Office Retirements

During the past months, the West Virginia District Office saw four of its employees retire. These employees had over 127 years of combined experience at SBA.

Retiring in July was Marie Maschas who worked as a technician in the legal division and had 36 years of experience. Retiring in September was Ron Bucy, who spent most of his time at SBA as chief of portfolio management and had over 34 years with the SBA. Tom Humphreys, the Deputy District Director, retired in early October with over 33 years with SBA. And lastly, Aaron Hairston, economic development specialist at the Charleston Branch Office, retired in early October as well and had over 24 years with SBA.

Their experience and knowledge will be greatly missed.

Minority Enterprise Development Week

The 21st annual Minority Enterprise Development (MED) Week awards ceremony was held on Saturday, October 18 at the Charleston Civic Center. The event was hosted by the West Virginia Minority Business Development Center as part of their 1st annual awards banquet.

The West Virginia District Office presented MED Week awards to two West Virginia business leaders who have demonstrated leadership and outstanding accomplishments through their hard work and determination.

The Minority Small Business Person of the Year award was presented to Paul S. Saluja, president of WasteTron, Inc. of Poca. Presenting his award on behalf of Allegra McCullough, regional administrator for SBA's Region III, was Al Jones, district director of the Pittsburgh District Office.

Receiving the 8(a) Graduate of the Year award was Stephen M. Powell, president of S. Powell Construction of Weirton. Presenting Steve with his award was Judy McCauley, acting district director of the West Virginia District Office. Each recipient made brief comments and thanked the SBA for their awards.

The WV Minority Business Development Center also presented numerous awards to entrepreneurs, small business owners, and small business advocates. The Center also awarded twenty \$500 small business grants to attendees at the banquet. The event was the largest gathering of minority small business owners in West Virginia, with nearly 900 in attendance.

Each year the SBA traditionally recognizes minority business excellence and achievement through its MED Week events. Nominees for the Minority Small Business of the Year are evaluated on the following criteria:

- Must own and operate a minority small business in accordance with SBA's rules and regulations.

- Firm must be in satisfactory financial condition.
- Firm must have been in business for at least three years.
- If firm is a government contractor, it must have performed satisfactorily on all contracts, and have had no terminations for default.
- If firm has SBA loan, payment record must be satisfactory and the loan must be current.
- Firm must receive clearance from the Office of Inspector General before a public announcement of award is made.

Plans for MED Week 2004 are already being made. The West Virginia event is tentatively scheduled for October 2. For additional information, contact our office at (304) 623-5631 ext. 239.

Upcoming Workshops

November 12 – Starting A Business In West Virginia – Fairmont

November 18 – Behind The Headlines – Making Your Business Media Savvy – Fairmont

November 19 – Contracting for Dollars – Clarksburg – Marketing Workshop – Fairmont

December 17 – Small Business Start-up – Clarksburg

For additional information, visit our web site at www.sba.gov/wv and select the Training Calendar link or contact us at the email address or number below.

The West Virginia Small Business Development Center also conducts training throughout the state. Visit their web site at www.sbdwv.org and select the Training and Workshop Calendar link for more information.

Please let us know if your organization would like us to conduct a workshop in your area or if you have any small business events that can be posted in our newsletter or web site. Send information to wvinfo@sba.gov or call (304) 623-5631.