U.S. Small Business Administration

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LENDER NEWS

A Publication of the Des Moines District Office and Cedar Rapids Branch Office **November, 2004**

From the District Director's Desk

FY 2005 Off to a Good Start in Iowa

Dear Lender:

Even though we've been under a continuing resolution for our program funding we are off to a great start in our new fiscal year. In the first six weeks we have had 83 7(a) loan and 19 504 loans approved. Nationally, our 7(a) lending activity is up 30% over the same period last year. This is particularly exciting in light of the uncertainty caused by changes in the fee structure and funding.

The fee structure under which the program reverted to on September 30th puts the 7(a) program at a zero subsidy making it self-supporting from lender and borrower fees. We hope we will be able to bring you an update in the near future on fees, funding level, and program authorities for this fiscal year.

To enhance our ability and that of our partners to be a valuable resource to small businesses in the state, we have - in cooperation with RENI Publishing Company - assembled a "*Small Business Resource*" guide as a tool for our partners, small business owners and entrepreneurs.

This 38 page guide in addition to providing SBA program and contact information is a resource for:

- Getting started in a business
- Local, state and federal business regulations
- Small Business Development Centers
- SCORE chapter contacts
- Women's Business Centers
- Government contracting
- Business related Web sites

We have also included in the guide our SBA award winning businesses for this past year and a listing of lenders who participated in our 7(a) and 504 programs in fiscal year 2003.

We offer this guide as a resource to you and your customers. If you would like a copy or several copies please contact Dave Lentell at (515) 284-4522 or by e-mail at *thomas.lentell@sba.gov*. In Eastern Iowa, contact Diane Bieber at (319) 362-6405 ext. 200 or by e-mail at *diane.bieber@sba.gov*. We plan to produce this annually and look forward to any feedback or comments on how it can be improved.

The deadline for nominating our annual small business award winners is approaching. Please contact Dave Lentell for additional information on the process and the timetable. We want to recognize those individuals and businesses in the state that have made noteworthy contributions to the small business community. Let's not overlook any truly deserving individual or business. See page 3 for more details.

Sincerely,

Joseph M. Folsom
District Director

LowDoc Training - December 7th in Johnston

The next LowDoc training session will be held on Tuesday, December 7, 2004 from 1:30 to 3:30 p.m. in the training room of the Iowa Bankers Association, 8800 NW 62nd Avenue in Johnston. In addition to LowDoc, this session will also include an update on SBA programs and services. To register, contact Tom Harbison at (515) 284-4653 or by e-mail at *thomas.harbison@sba.gov*.

INFORMATION

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PLP Processing Center
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Small Business Week 2005

Will be held in April of 2005. See Page 3 for details on how you can make a nomination now for the 2005 awards.

Recognizing our 504 Participant Lenders for FY 2004

In FY 2004, the Des Moines District Office, in conjunction with its Certified Development Company (CDC) partners, made 96 loans through the 504 Certified Development Company program in Iowa worth $27.9 million. We'd like to thank these lenders who provided the participant loans in FY 2004 that made those 504 loans possible.

LENDER NAME	LOCATION	#	AMOUNT
Cedar Rapids Bank & Trust Co.	Cedar Rapids	4	$2,166,400
West Bank	West DSM	3	$2,633,000
American National Bank	(Nebraska)	3	$925,750
State Bank & Trust Co.	Nevada	3	$821,100
Premier Bank	Rock Valley	3	$523,000
Peoples Bank	Rock Valley	3	$215,000
Community National Bank	Waterloo	2	$1,859,500
First American Bank	Clive	2	$897,525
Maquoketa State Bank	Maquoketa	2	$748,000
Community State Bank	Tipton	2	$613,800
Community National Bank	Cedar Falls	2	$473,500
First Security State Bank	Waterloo	2	$442,500
Northwest Bank & Trust Company	Davenport	2	$414,595
First National Bank of Waverly	Waverly	2	$347,500
Union Planters Bank, N.A.	Waterloo	2	$315,500
First Security State Bank	Cedar Falls	2	$187,000
Pioneer Bank	Sioux City	2	$175,368
Gateway Savings Bank	Ankeny	1	$4,000,000
Iowa-Nebraska State Bank	(Nebraska)	1	$1,942,208
Farmers State Bank	Marion	1	$1,530,000
Prime Bank	LeMars	1	$1,307,500
Harris Trust & Savings Bank	(Illinois)	1	$1,265,000
Great Western Bank	Clive	1	$1,124,000
First American Bank	Fort Dodge	1	$1,080,000
American National Bank	Holstein	1	$997,500
First Federal Bank	Sioux City	1	$917,500
City of Sioux City	Sioux City	1	$875,000
Iowa State Bank	Sheldon	1	$790,500
Midwestone Bank	Burlington	1	$696,315
Hills Bank & Trust Company	Hills	1	$656,250
Zions First National Bank	(Utah)	1	$603,800
Iowa Bank	Bellevue	1	$554,750
First Bank	West DSM	1	$447,600
Hills Bank & Trust Company	Mount Vernon	1	$429,000
US Bank	Waterloo	1	$400,000

LENDER NAME	LOCATION	#	AMOUNT
Farmers State Bank	Cedar Rapids	1	$380,000
TSB Bank	Marshalltown	1	$375,000
Kingsley State Bank	LeMars	1	$360,000
Clinton National Bank	Clinton	1	$358,000
Citizens State Bank	Fort Dodge	1	$357,325
Quad City Bank & Trust Company	Davenport	1	$340,000
US Bank	Ames	1	$323,750
Peoples National Bank	Council Bluffs	1	$290,250
Freedom Financial Bank	West DSM	1	$275,000
First Central State Bank	DeWitt	1	$272,500
Security Savings Bank	Clarion	1	$253,750
Iowa Prairie Bank	Merrill	1	$250,000
Union State Bank	Monona	1	$248,875
Iowa State Bank	Des Moines	1	$240,000
American Bank	LeMars	1	$221,500
Decorah Bank & Trust Company	Decorah	1	$210,000
Lincoln Savings Bank	Waterloo	1	$187,500
Northwoods State Bank	Mason City	1	$182,585
Peoples Bank	(Georgia)	1	$170,000
Wells Fargo Bank IA	Clive	1	$141,500
State Bank	Worthington	1	$137,500
First National Bank of Cedar Falls	Cedar Falls	1	$125,000
Wells Fargo Bank IA	Fort Dodge	1	$117,500
Community Bank	Orange City	1	$113,250
Peoples Bank	Sioux Center	1	$102,500
Commercial Federal Bank	Clive	1	$102,000
US Bank	Washington	1	$100,000
Community Savings Bank	Edgewood	1	$97,500
Security State Bank	New Hampton	1	$94,000
West Chester Savings Bank	West Chester	1	$88,500
Farmers Savings Bank	Fostoria	1	$78,500
Security State Bank	Guttenberg	1	$75,000
Banklowa	Independence	1	$65,250
Freedom Savings Bank	Kalona	1	$64,370
Northwestern State Bank	Orange City	1	$53,900

SBA 504 Loan Program: A Valuable Lending Tool for Fixed Asset Financing

As we take time this month to thank our 504 participant lenders, it's also a good time to remind our lending partners of the benefits of the 504 program.

The program provides long-term fixed-rate financing to small businesses at favorable rates as a means to foster economic development and create or preserve jobs.

Lenders can mitigate credit risk (50 per cent LTV), make larger loans, retain commercial-account relationships while participating in long-term financing and sell their first mortgage portion on a very active secondary market - just to name a few of the benefits of the program.

The 504 program minimizes the equity required for the acquisition of real estate or equipment. Most projects require only a 10 per cent equity injection from the borrower. However, start-up ventures or projects involving single purpose assets require an additional 5 percent injection. If the project involves both a start-up and a single purpose asset, the minimum equity contribution is 20 per cent.

The SBA portion of the financing package is fully amortized over 20 years for real estate and 10 years for equipment. The interest rate is set at the time of debenture sale after completion of the project. Rates are fixed for the life of the loan and are generally below market rate. A typical 504 project includes:

- A loan secured with a senior lien position on project assets from a private-sector lender covering up to 50 percent of the project cost;
- A loan secured with a junior lien on project assets from a Certified Development Company covering up to 40 percent of project costs; and
- The borrower's minimum equity injection, usually 10 per cent.

SBA 504 loans are administered by Certified Development Companies (CDC's). There are five CDC's located in Iowa and all are allowed to do business throughout the state. Call our office in Des Moines (515-284-4422) or Cedar Rapids (319-362-6405) for the location of a CDC near you.

SBA Lender Activity Report for October

LENDER NAME	LOCATION	#	AMOUNT
Iowa Business Growth Co.	Johnston	7	$2,304,000
Capital One Federal Savings Bank	Virginia	6	$230,000
Wells Fargo Bank	Iowa	5	$176,000
Farmers State Bank	Marion	3	$319,000
Corporation for Econ. Dev.	Des Moines	2	$807,000
DuTrac Community Credit Union	Dubuque	2	$236,900
E.C.I.A. Business Growth, Inc.	Dubuque	2	$755,000
First American Bank	Clive	2	$750,000
Quad City Bank & Trust Company	Bettendorf	2	$200,000
Siouxland Econ. Dev. Corp.	Sioux City	2	$1,152,000
Black Hawk County Econ. Dev.	Waterloo	1	$1,000,000
Boone Bank & Trust	Boone	1	$605,000
City State Bank	Norwalk	1	$47,500
Community Federal Savings Bank	Cedar Rapids	1	$170,000
Community Savings Bank	Indianola	1	$85,000
Community State Bank	Ankeny	1	$150,000
Community State Bank	West Branch	1	$1,098,900
Dubuque Bank and Trust Co.	Dubuque	1	$80,000
ECIA Business Growth	Dubuque	1	$873,000
Farmers State Bank	Jesup	1	$94,900
First American Bank	Fort Dodge	1	$77,000
First Bank	WDM	1	$1,390,000

LENDER NAME	LOCATION	#	AMOUNT
First Central State Bank	DeWitt	1	$50,000
First Citizens National Bank	Mason City	1	$50,000
First Federal Bank	Sioux City	1	$135,000
Freedom Financial Bank	WDM	1	$137,500
Gateway State Bank	Clinton	1	$110,000
Great Western Bank	Clive	1	$150,000
Houghton State Bank	Red Oak	1	$50,000
Humboldt Trust & Savings	Humboldt	1	$147,000
Iowa Savings Bank	Carroll	1	$45,000
Iowa Savings Bank	Urbandale	1	$905,000
Iowa State Bank	Des Moines	1	$240,000
Liberty Bank, FSB	WDM	1	$150,000
Northwest Federal Savings Bank	Spencer	1	$75,000
Peoples Savings Bank	Indianola	1	$83,000
Pilot Grove Savings Bank	Pilot Grove	1	$500,000
Polk County Bank	Johnston	1	$150,000
Prime Bank	Sioux Center	1	$260,000
Savings Bank	Primghar	1	$550,000
Security Savings Bank	Eagle Grove	1	$97,600
State Central Bank	Keokuk	1	$126,000
Temecula Valley Bank	California	1	$1,725,000
TierOne Bank	Nebraska	1	$100,000
U.S. Bank	Iowa	1	$10,000

The following lenders in Iowa were participant lenders in the SBA's 504 loan program during the month of October.

LENDER NAME	LOCATION	#	AMOUNT
Wells Fargo Bank	Iowa	3	$1,288,000
Dubuque Bank & Trust	Dubuque	2	$2,029,722
Iowa Savings Bank	Urbandale	1	$226,400
Liberty Bank FSB	Iowa City	1	$704,000
Northwest Federal Savings	Spencer	1	$1,400,000
Premier Bank	Rock Valley	1	$195,000

LENDER NAME	LOCATION	#	AMOUNT
Wachovia SBA Lending Inc	California	1	$2,424,211
American Trust & Savings Bank	Dubuque	1	$218,500
Bank of Nebraska	Nebraska	1	$650,000
Community State Bank	Spencer	1	$572,500
First American Bank	Clive	1	$780,000
Hampton State Bank	Hampton	1	$153,000

SBW 2005 Awards - Recognize Your Small Business Customers!

The SBA has begun its annual search for a successful small business person who will become Iowa's "Small Business Person of the Year" for 2005.

The SBA will be accepting nominations for state "Small Business Person of the Year" from now until December 3, 2004. Winners of the state competition compete for the national title which will be awarded during National Small Business Week ceremonies to be held during SBA Expo 2005 in Washington DC, which will be held April 23-25, 2005.

There are seven main criteria that each Small Business Person of the Year nomination will be judged on:

1. Staying power - a substantiated history as an established business.
2. Growth in number of employees - a benchmark to judge the impact of the business on the job market.
3. Increase in sales and/or unit volume - an indication of continued growth over the last five years.
4. Current and past financial reports - a substantiation of improved financial position of the business.
5. Innovativeness of product or service offered - an illustration of the creativity and imagination of the nominee.
6. Response to adversity - examples of problems faced in the nominee's business and the methods used to solve them.
7. Contributions to aid community-oriented projects - evidence of the use of his/her personal time and resources.

Additional awards will be presented for:

- Financial Services Champion of the Year
- Home-Based Business Champion of the Year
- Minority Small Business Champion of the Year
- Small Business Exporter of the Year
- SBA Young Entrepreneur of the Year
- Small Business Journalist of the Year
- Veteran Small Business Champion of the Year
- Women in Business Champion of the Year
- SBA Family-Owned Small Business of the Year

These awards are a perfect way to thank your customers, clients, community leaders and other organizations you work with in your community. They can also result in some *great* recognition for your lending institution.

All nominations must be received by the SBA no later than December 3, 2004. To obtain more information on completing a nomination package, contact the SBA in Des Moines at (515) 284-4522 or send an e-mail to *thomas.lentell@sba.gov.*