



U.S. Small Business Administration

SBA RESOURCES

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Overview

Created: 1953

Mission: ...aid, counsel, assist and protect the interests of small business concerns...

Federal: Free...

Resources: Programs and Partners
Network
And much more



Overview

The 3 C's:

- Counseling
- Capital
- Contracting



U.S. Small Business Administration

Counseling

Extensive network of resource partners which offer Free or low cost counseling, advice, and information on starting, improving, or expanding a small business through SCORE, Small Business Development Centers (SBDCs) and Women's Business Centers (WBCs)

To locate offices near you:

<https://www.sba.gov/tools/local-assistance>



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Counseling

SCORE, "Counselors to America's Small Business."

Provides free business mentoring services to entrepreneurs in the United States. The organization also presents business workshops and seminars for a fee.

Business mentoring services are provided by both active and retired business executives and entrepreneurs who donate their time and expertise as mentors to assist new and established small businesses.

25 Locations throughout Wisconsin



Counseling

SBDCs help entrepreneurs realize the dream of business ownership and help existing businesses remain competitive in a complex, ever-changing global marketplace. SBDCs are hosted by leading universities and state economic development agencies, and funded in part through a partnership with SBA

14 locations at UW campuses plus Specialty Centers



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Counseling

The SBA's Women's Business Center (WBC) program provides business training, counseling, coaching, mentoring and other assistance geared toward women, particularly those who are socially and economically disadvantaged.

4 locations throughout Wisconsin



Capital Overview

SBA provides a number of financial assistance programs for small businesses that have been specifically designed to meet key financing needs



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Loan Guaranty Program

- The SBA doesn't lend the money *directly* to entrepreneurs to start or grow a business, but sets the guidelines for loans made by its partners (lenders, community development organizations and micro-lending institutions).
- SBA guarantees that these loans will be repaid, which eliminates some of the risk to the lending partners



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7(a) Loan Program

SBA's Primary Program

- No Minimum Loan Amount
- Maximum \$5.00 Million Loan Amount
- Maximum \$3.75 Million Guaranty
 - 85% For Loans \leq \$150,000
 - 75% For Loans $>$ \$150,000

Program Variety

- 7(a) Loans, 7(a) Small Loans, SBAExpress, SBA Veterans Advantage, CAPLines
- Community Advantage
- International/Export Financing



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7(a) Loan Program

Maximum Maturities

- 25 Years RE/10 Years Equipment/7 Years WC

Use of Proceeds

- Owner-Occupied RE, FFE, WC, Business Acq., Refinance, Etc.
- Terms Loans And Lines Of Credit

Miscellaneous

- General Credit Criteria And Rules Requirements



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7(a) *Small Loans*

7(a) Loans \leq \$350,000

- Excludes SBA*Express*/SBA Veterans Advantage/Export Express
- SBA Guaranty Same As 7(a)
 - Maximum 85% For Loans \leq \$150,000
 - Maximum 75% For Loans $>$ \$150,000



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SBAExpress & SBA Veterans Advantage

- SBA Guaranty
 - Maximum 50%

- Lender Makes Credit Decision And Uses Its Own Closing Docs

- SBA Veterans Advantage Is The Same As SBAExpress Except:
 - Specific Veteran Eligibility Qualifications
 - Zero Borrower Guaranty Fee On Loans \leq \$350,000

- See the following slide for updates on fee reductions



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2018 Updates

Loan fee reductions

Who's eligible	Program	Loan Amount	Borrower Fees	Lender fees	SBA Guarantee Amt
All borrowers	7(a)	\$125,000 and less	Up front fees paid	.55%	85%
Veterans, transitioning service members, family members	7(a)	\$125,001 to \$350,000	50% fee reduction	.55%	75%
	Express	\$350,000 and less	None	.55%	50%



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CAPLines

7(a) Programs Designed To Meet Short-Term & Cyclical Working Capital Needs

- Working Capital
 - Revolving Line Of Credit
- Contract
 - Finances Materials/Labor/Overhead For Specific Contracts
- Seasonal
 - Finances Inventory Buildup/Accounts Receivable/Labor/Materials
- Builders
 - Direct Financing Of Commercial Or Residential Structures



Community Advantage

Non-Traditional Lenders for 7(a) loans

- Community Based, Mission-Focused 7(a) Lenders
- Must Maintain 60% Of Portfolio In Underserved Markets
- Maximum \$250,000 Loan Size
- Same 75% To 85% Guaranty Based On Loan Size

Community Advantage Lenders In WI

- Milwaukee Economic Development Corp. (MEDC)
- Wisconsin Women's Business Initiative Corp. (WWBIC)
- LRC Strategic Urban Planning
- WBD Advantage Fund, LLC
- First American Capital Corp (approved in April)



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International Trade/Export Financing

Designed to develop or expand export activities with up to 90% guaranty

- International Trade Loan
 - Maximum \$5 million loan and 90% guaranty
 - Long Term Fixed Asset/Working Capital/Refi.

- Export Working Capital
 - Maximum \$5 Million Loan And 90% Guaranty
 - Transaction Or Asset-Based, Short-Term Financing Needs

- Export Express
 - Simplest Program; Up To \$500,000 Term Loan Or Line
 - Maximum 90% For Loans \leq \$350,000
 - Maximum 75% For Loans $>$ \$350,000



504 Loan Program

Economic Development Program

- Supports Business Expansion And Job Creation
- Long Term, Fixed Rate Subordinate Mortgage Loan

Maximum Loan Amounts

- \$5.0 Million For Job Creation, Meeting Policy Goal, Etc.
- \$5.5 Million For Manufacturers & Energy Savings/Subs

Uses Of Funds

- Long-Term, Fixed Assets

Maturity & Interest Rate (Fixed)

- 10 year Equipment
- 20 year Real Estate



Non-7(a) Microloans

Microlenders (non-profit Intermediaries)

- Maximum \$50,000 Short Term Loans (\leq 6 Year Maturity)
- NO GUARANTY
- Uses: Machinery, FFE, WC, Leasehold Improvements, etc.

Microlenders In WI

- Statewide Coverage:
 - Impact Seven, Inc., WWBIC
- Other Target Markets:
 - Advocap – CAP Services, Inc. – First American Capital Corp.
 - Northeast Entrepreneur Fund, Northwest Regional Planning Commission



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Contracting

Assistance to businesses owned and controlled by socially and economically disadvantaged individuals through the Business Development Program, as well as other programs for Federal contracting .



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Contracting

What are the Government-wide Small Business Contracting Goals and Achievement?

Category	Goal	2014	2015	2016
Small Business	23%	24.99%	25.75%	24.34%
SDB (8(a))	5%	9.46%	10.06%	9.52%
HUBZone	3%	1.82%	1.81%	1.67%
WOSB	5%	4.68%	5.05%	4.79%
SDVOSB	3%	3.68%	3.93%	3.98%



Contracting

**Government-wide Small Business Contracting
Goals are a floor—not a ceiling!**

In 2015:

\$90.7 Billion to Small Business

\$52.4 Billion from DoD alone



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Small Business Set-Asides

A Set-Aside for small businesses reserves an acquisition exclusively for small business competition

This Includes requirements competed among HUBZone, 8(a), SDVOSB, and EDWOSB/WOSB



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Contracting Programs

Federal:

- Small Disadvantaged Business (SDB) / 8(a) Business Development
- HUBZone
- Women Owned Small Business
- Service Disabled Veteran Owned Small Business



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Small Disadvantaged Business

Since October 2008, small businesses can self-represent their status as a small disadvantaged business (SDB)

- The firm must be 51% or more owned and control by one or more disadvantaged persons
- The disadvantaged person or persons must be socially disadvantaged and economically disadvantaged
- The firm must be small, according to SBA's [size standards](#)



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8(a) Business Development

In order to help small, disadvantaged businesses compete in the marketplace, the SBA created the 8(a) Business Development Program

This is an essential instrument for helping socially and economically disadvantaged entrepreneurs gain access to the economic mainstream of American society. The program helps thousands of aspiring entrepreneurs to gain a foothold in government contracting



HUBzone

Historically Underutilized Business zone

Helps small businesses in urban and rural communities gain preferential access to federal procurement opportunities.

Preferences go to small businesses that obtain HUBZone certification in part by employing staff who live in a HUBZone

The company must also maintain a "principal office" in one of these specially designated areas.



Women Owned Small Business (WOSB)

The WOSB Federal Contract Program was implemented in February 2011 with the goal of expanding the number of industries where WOSB were able to compete for business with the federal government.

- This program enables Economically Disadvantaged WOSBs (EDWOSBs) to compete for federal contracts that are set-aside for EDWOSBs in industries where women-owned small businesses are underrepresented.
- It also allows set-asides for WOSBs in industries where women-owned small businesses are substantially underrepresented.



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Service Disabled Veteran Owned Small Business (SDVOSB)

The purpose of the Service-Disabled Veteran-Owned Small Business Concern Procurement Program is to provide procuring agencies with the authority to set acquisitions aside for exclusive competition among service-disabled veteran-owned small business concerns, as well as the authority to make sole source awards to service-disabled veteran-owned small business concerns if certain conditions are met



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