



U.S. Small Business  
Administration

# **Growing Your Business in Rusk County 10-30-19**

**The SBA works to ignite change and spark action  
so small businesses can confidently**

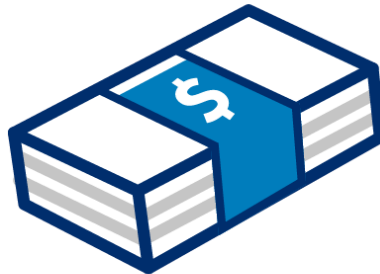


**START • GROW • EXPAND •  
RECOVER**

# Contents

- **Access to Capital**
- **Small Business Resources**
- **Federal Contracting**
- **Disaster**
- **Awards**

# Need Access to Capital? The SBA Can Help



# Capital: 7(a) loans

## Overview

SBA's primary loan program

Maximum loan: \$5 million

Guarantees: 85% <\$150,000; 75% > \$150,000

Maturities

5 – 10 years: working capital, machinery, equipment

Up to 25 years for real estate, construction

\$15 million tangible net worth; \$5 million net profits



# Capital: 7(a) loans

## Express Loans

50% Guarantee

Up to \$350,000



*Includes Lines of Credit*

Lender makes credit decision

# Capital: 7(a) Loans

## Int'l Trade/Export Financing

**Develop/Expand Export Activities -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

# **Capital: 7(a) loans**

## **Community Advantage**

Community based, mission-focused CDFIs, CDCs, and Micro-lenders

**Maximum Loan Size:** \$250,000

**Guarantee:** 85% up to \$150,000; 75% for more.

**Approval Times:** 5-10 days

**Paperwork:** Two-page application for borrowers

**Lender Requirements:** Maintain 60% of portfolio in underserved markets

**Time Frame:** 3 Year Pilot; extended to 3/31/2020

# Capital: Community Advantage

Community based, mission-focused CDFIs, CDCs, & Micro-lenders

Wisconsin Women's Business Initiative Corporation

Milwaukee Economic Development Corporation

Legacy Redevelopment Corporation

First American Capital Corporation, (American Indian Chamber)



FY2016	48 loans	\$4.8 million
FY2017	44 loans	\$5.7 million
FY2018	36 loans	\$3.9 million
FY2019 (to 3/31)	20 loans	\$2.6million

# Capital: 504 Loans

504/Certified Development Company

Maximum: \$5 MM (\$5.5 MM for manufacturing, energy savings)

Financing:

CDC (w/SBA guarantee) finances 40%

Lender (bank) finances 50%

Equity (borrower) finances 10-20%

Uses: long-term fixed assets

Maturity: 10-20 years, **25 year debenture announced 2018**

Interest: fixed rate established when debenture backing sold;  
some exceptions

**Job requirements reduced in rural areas**

# Capital: Micro-loans

## Terms

Max amount: \$50,000

Rate: negotiated by borrower/intermediary

No guarantee

Maturity: up to 6 years

Uses: purchase equipment, fixtures, working capital, leasehold improvements; increased receivables

# Capital: Micro-lenders

- **Advocap**, Fond du Lac and Oshkosh
- **First American Capital Corp.**, West Allis (American Indian Chamber)
- **Entrepreneur Fund**, Serving Douglas County
- **WI Women's Business Initiative Corp.**, Milwaukee, Racine, Kenosha & Madison (statewide)
- **CAP Services**, Stevens Point
- **Northwest Regional Planning Commission**, Spooner

# Capital: Micro-lending

**FY2016: 129 loans/\$2.8 MM/67 startups**

**FY2017: 100 loans/\$2.1 MM /56 startups**

**FY2018: 130/\$2.5 MM/70 startups**

**FY2019: 80/\$1.5 MM**

# Capital: Lending

Wisconsin 7(a) and 504 lending  
FY2018

**1,427 total loans guaranteed**  
**\$626 million**

504: 150/\$116 million  
7(a): 1277/\$510.1 million



**925 startups/\$382 million, 62% of loans this year!**  
**995 startups received loans in WI this year including microloans**

Loans \$150,000 or under: 720/\$49.9 million

Loans to veterans: 69/\$23.1 million

Loans to women: 256/\$76.3 million

# Capital: FY2018 Lending Industries

INDUSTRY	\$\$\$	###
<b>Grand Total</b>	<b>\$ 626,054,600</b>	<b>1,427</b>
Manufacturing	\$ 141,739,300	
Accommodation and Food Services	\$ 90,307,100	200
Retail Trade	\$ 80,219,800	179
Construction	\$ 39,460,200	159
Other Services (except Public Administration)	\$ 39,867,800	127
Health Care and Social Assistance	\$ 49,150,500	114
Administrative and Support and Waste Management and Remediation Services	\$ 17,801,500	84
Professional, Scientific, and Technical Services	\$ 24,908,800	79
Transportation and Warehousing	\$ 29,193,000	77
Arts, Entertainment, and Recreation	\$ 24,209,100	53
Wholesale Trade	\$ 20,863,800	39
Real Estate and Rental and Leasing	\$ 38,697,100	38
Educational Services	\$ 8,825,600	23
Finance and Insurance	\$ 5,269,300	17
Agriculture, Forestry, Fishing and Information	\$ 3,721,500	
	\$ 2,026,100	
Enterprises	\$ 2,075,100	5
Mining	\$ 5,669,000	3
Utilities	\$ 2,050,000	2

# Capital: Lending

Wisconsin 7(a) and 504 lending  
FY2019

**1249 total loans guaranteed**  
**\$562.3 million**

504: 175/\$136 million

7(a): 1074/\$426.3 million



Startups: 405/\$127,961,100

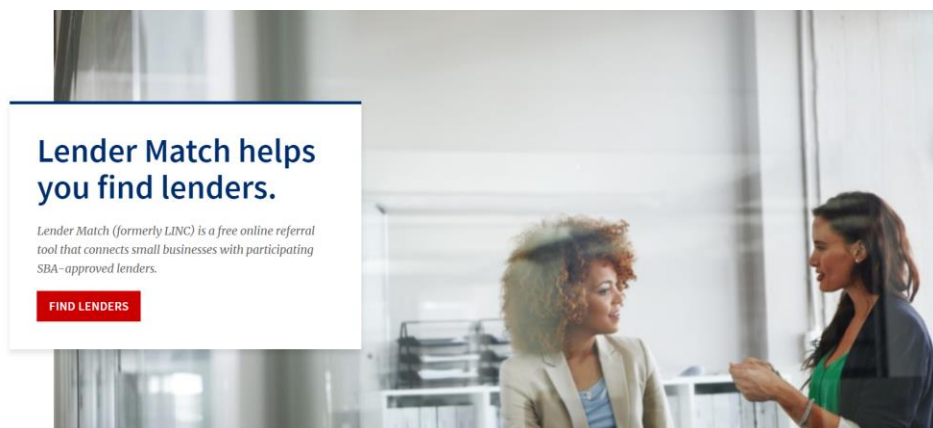
Loans to veterans: 58/\$19.6 million

Women-owned: 213/\$66 million

Loans \$150,000 or less: 581/\$41,453,100

Microloans: 80/\$1.5 million

# LenderMatch



## Online tool connects prospective borrowers with lenders; Successor to LINC

- Prospective borrower answers 10 questions
- Lenders will respond within 48 hours if any interest; 800+ participating
- To apply: look for LenderMatch at [www.sba.gov](http://www.sba.gov)

# Surety Bonds

- **Bid Bond:** Guarantees that the bidder on a contract will enter into the contract and furnish the required payment and performance bonds if awarded the contract.
- **Payment Bond:** Guarantees that suppliers and subcontractors will be paid for work performed under the contract.
- **Performance Bond:** Guarantees that the contractor will perform the contract in accordance with its terms and conditions.\*  
(\*The term Final Bond means Payment Bond, Performance Bond or both Payment and Performance Bond.)

# Contracting: Eligibility

## Sample Size Standards

NAICS Industry Sector	Standard
Manufacturing	500 employees
Wholesale Trade	100 employees
Agriculture	\$750,000
Retail Trade	\$7 million
General & Heavy Construction	\$33.5 million
Dredging	\$20 million
Special Trade Contractors	\$14 million
Travel Agencies	\$3.5 million
Business and personal services	\$7 million
Architectural, Engineering, Surveying, Mapping Services	\$4.5 million
Temporary staffing services	\$13.5 million

Updates to selected industry size standards:

- Manufacturing
- Wholesale Trade
- Retail Trade
- Program specific size standards adjusted for inflation

\*As directed by the Jobs Act

# Types of SBA Disaster Loans



- 1) Physical Home
- 2) Physical Business
- 3) Economic Injury



# SBA Disaster Loan Limits

Types of Loans	Borrowers	Purpose	Max. Amount
Business Loans "Physical"	Businesses and private nonprofits	Repair or replace real estate, equipment, furniture, etc.	\$2 million *
Economic Injury Loans	Small businesses and private nonprofits	Economic injury disaster loans or working capital loans	\$2 million *
Home Loans	Homeowners	Repair or replace real property	\$200,000
Home Loans	Homeowners and renters	Repair or replace personal property	\$40,000
Mitigation	Businesses, private nonprofits and homeowners	Mitigate / prevent future loss to real property	20% of verified physical damage. Homeowners are limited to \$200,000

\*The maximum business loan is \$2 million, unless the business qualifies as a Major Source of Employment (MSE).

# Requirements for Loan Approvals

## Eligibility

- Damaged property/business must be in a declared county.



## Credit History

- Applicants must have a credit history acceptable to SBA.



## Repayment

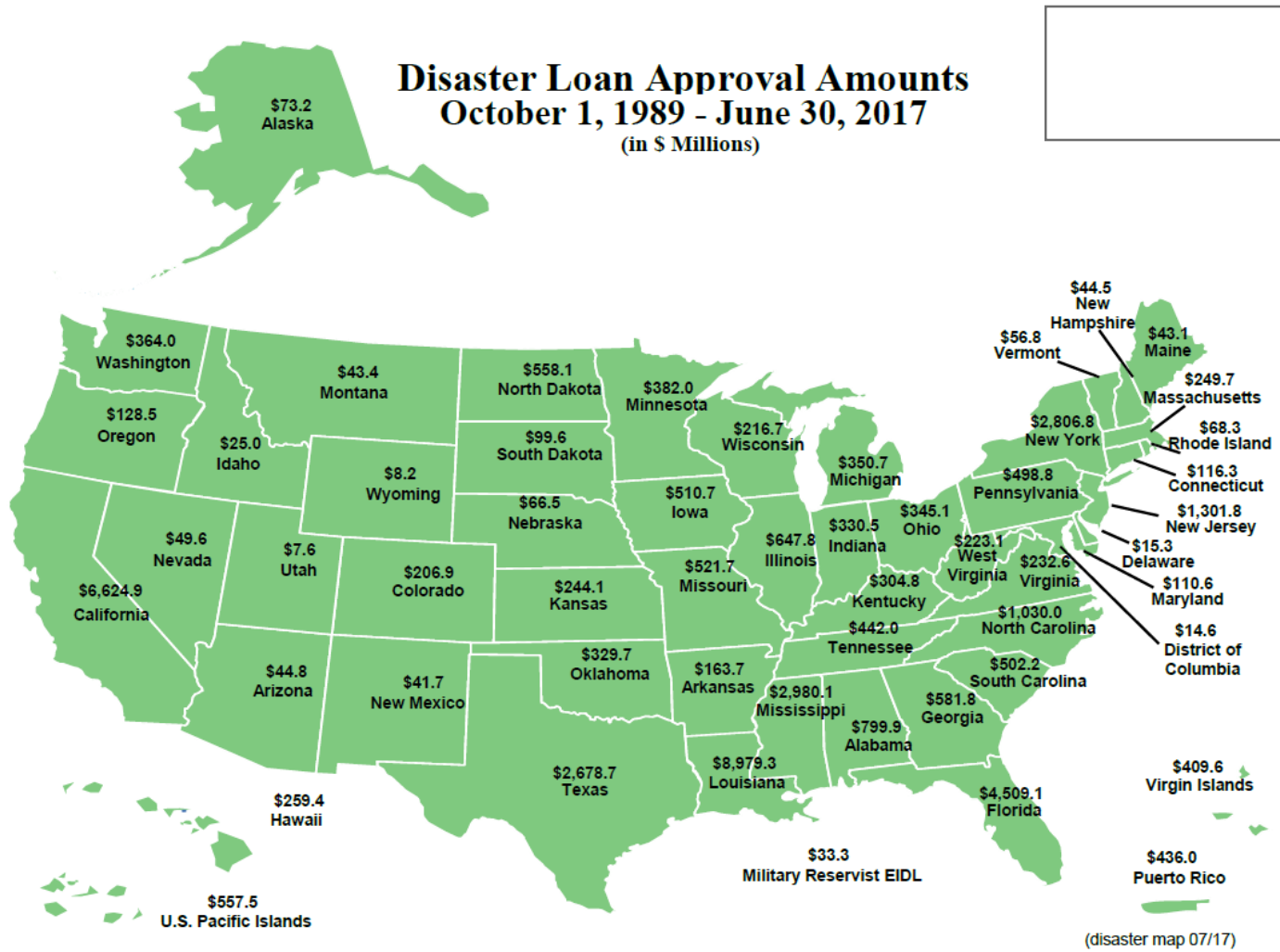
- Applicants must show the ability to repay the SBA loan.

# Types of Disaster Declarations

- **Presidential** (Individual /Public Assistance)
  - Governor asks FEMA-automatic if approved
- **Administrative (Agency)**
  - Governor requests from SBA w/Prelim Damage Assessment
  - 25 homes/businesses sustain uninsured loss of 40% or more
- **Governor's Certification**
  - Governor requests from SBA w/Economic Injury Loss info
  - 5 small businesses have suffered substantial loss
- *Above include physical damages; below do not*
- **Secretary of Agriculture**
  - Governor requests from Sec. of Agriculture
  - Agriculture notifies SBA
- **Secretary of Commerce**
  - Declaration of a fisheries resource disaster
  - 5 small businesses suffer substantial economic injury
- **Military Reservist**
  - Loans help reservists avoid/minimize economic injury to their businesses due to call-up; 4% /\$2 million/up to 30 years/



# SBA Disaster Loans in Wisconsin



# Resource Partner Network

**SCORE** – Counselors to America's Small Businesses  
6 chapters with 20+ appointment locations

## **Women's Business Centers**

8 locations - **new location in Appleton 6/2018**

## **Small Business Development Centers (SBDC)**

13 locations plus Center for Tech Commercialization

## **Veterans Business Outreach Center**

**newly opened at WWBIC in Milwaukee in 2018**

**12,213 Wisconsin residents were counseled or mentored by an SBA resource partner in FY2017**

## **Online Training SBA.Gov**

More than 130 free courses and webinars



# Resource Partner Network

## Wisconsin SCORE Chapters

West Central Wisconsin	<a href="http://centralwisconsin.score.org">centralwisconsin.score.org</a>
Fox Cities	<a href="http://foxcities.score.org">foxcities.score.org</a>
Green Bay	<a href="http://greenbay.score.org">greenbay.score.org</a>
Madison	<a href="http://madison.score.org">madison.score.org</a>
Southeast Wisconsin	<a href="http://scoresewisconsin.org">scoresewisconsin.org</a>

**222 volunteers in 5 chapters**

Unique clients in FY2018:  
2278  
Total mentoring FY2018: 4377

► **National SCORE [score.org](http://score.org)**

# Resource Partner Network

## 13 SBDC Locations

UW-Eau Claire  
UW-Green Bay  
UW-La Crosse  
UW-Madison  
UW-Milwaukee  
UW-Oshkosh  
UW-Parkside  
Southwest Wisconsin  
UW-River Falls  
UW-Stevens Point  
UW-Superior  
Waukesha County  
UW-Whitewater



Wisconsin's Business Answer Line:

[wisconsinsbdc.org/sbdc.htm](http://wisconsinsbdc.org/sbdc.htm)

800-940-7232

Business Starts: 241  
Capital Infusion: \$104 million  
Clients Served 4,060

# Resource Partner Network

## Women's Business Centers

**Entrepreneur Fund's Women Business Center,**  
MN and Superior, WI

**Western Dairyland Women's Business Center,**  
Independence and Eau Claire  
1473 clients (1223 were women)

**WI Women's Business Initiative Corp. (WWBIC)**  
Milwaukee, Madison, Kenosha, Racine, **Appleton**  
5119 clients served

**SBA Office of Women's Business Ownership**



Are you the next winner?

## Business Categories

Small Business Person of the Year \* Small Business Exporter  
8a Graduate \* Young Entrepreneur  
Small Business Success \* Emerging Small Business  
Family-owned Small Business\* **New! Rural Small Business**

## Small Business Champion Categories

Minority, Veteran, Legal Assistance, Home Based, Women in Business,  
Financial Services

**Nomination deadline 11/19; final packages due 1/7/20**  
**See awards packet or contact Shirah Apple, SBA Public Affairs**  
**Specialist at [rachel.apple@sba.gov](mailto:rachel.apple@sba.gov)**

# 2019 SBA Award Winners

- **Small Business Person of the Year**-Stacy Tuschl, [The Academy of Performing Arts](#), Oak Creek and Franklin
- **Small Business Exporter of the Year**-Doug Buch, [PaveDrain](#), LLC, Milwaukee
- **8(a) Graduate of the Year**-Manisha Dotson, [Nisha Group LLC](#), Milwaukee
- **Young Entrepreneur**-Ben Caya, [Spike Brewing](#) LLC, Milwaukee
- **Financial Services Champion**-Joanne Freitag, [Parrish & Freitag, Ltd](#), Paddock Lake
- **Veterans Small Business Champion**-Curtis Schmitt, [Wisconsin Veterans Chamber of Commerce](#), Milwaukee
- **Small Business Legal Assistance**-Kristen Roeper, [Godfrey and Kahn, S.C.](#), Milwaukee
- **SCORE Mentor**-Joan Burke, [SCORE Southeast Wisconsin](#), Milwaukee
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- **Emerging Small Business**-Nicole Centeno, [K9 Kibble LLC](#), Kenosha
- **Jeffrey Butland Family Owned Small Business**-Ruth Johnston, Matthew Johnston, [Croix Gear and Machining](#), Hudson
- **Small Business Development Center Excellence and Innovation Center Award**-Danielle Campeau, Katherine Fossler, Julie Fronmueller, [Small Business Development Center at UW-River Falls](#)
- **Women's Business Center of Excellence**- Karman Briggs, [Western Wisconsin Women's Business Center](#), Eau Claire
- **Minority Small Business Champion**-Jessica Cavazos, [Latino Chamber of Commerce of Dane County](#), Madison
- **Women in Business Champion**-Laura Gallagher, [The Creative Company](#) and North American Regional Ambassador and Spokesperson for [Women's Entrepreneurship Day](#), Madison
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# Stay in Touch with SBA in Wisconsin

- **E-news**--monthly and periodic updates; upcoming events and classes list sent monthly
  - **Sign up! Text “SBA” to GOV311 (468311)** or go to [www.sba.gov/updates](http://www.sba.gov/updates)
- **Website**—e-news sign-up; business success stories, press releases, e-news updates, calendar of events, loan and program information, office staff and responsibilities, online resource guide.  
**www.sba.gov/wi**
- **Social media**
  - Twitter: @SBA\_Wisconsin (since 9/17) Follow us!
  - Facebook: U.S. Small Business Administration
  - Instagram: @SBAgov
  - LinkedIn: U.S. Small Business Administration
- **Resource Guide**—Updated annually; available in hard copy and on the SBA Wisconsin website; new guide available now! (Pictured)



# Wisconsin SBA Contacts

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