Welcome To America’s Small Business Resource
Small Business in Colorado

• Small business plays a **vital role** in Colorado’s economy

• There are more than **549,000** small businesses in Colorado and they represent **97.6%** of all employers.

• **77%** of Colorado small businesses are considered very small (have no employees or less than 20)
What is a Small Business?

- Independently owned and operated
- Organized for profit,
- Not dominant in its field
- Place of business in U.S.
- Primarily does business in U.S.

Commons standards to define a small business:
- Less than 500 employees for most manufacturing and mining industries, and
- $7 million in average annual receipts for most non-manufacturing industries.
Our Mission

To promote small business development and entrepreneurship through business financing, government contracting and technical assistance.
What does SBA offer?

• Counseling and Training
• Government Contracting
• Financing
• Disaster Assistance
• Exporting
• Online Assistance
• Advocacy

How can the SBA help you with your business?
Last year, we helped Colorado numerous entrepreneurs:

**Obtain financing**: SBA has guaranteed nearly $558 million through 1300 federally-guaranteed loans across Colorado

**Obtain contracts**: More than $1.2 billion in federal contracts were awarded to Colorado 8(a) firms.
Business Development Assistance
SBA’s Resource Partner Network

SCORE Business Counselors to America
3 chapters in Colorado
www.scoredenver.org
(303) 844-3985

Small Business Development Centers (SBDC)
14 centers in the Colorado
www.coloradosbdc.org

Women’s Business Center hosted by Mi Casa Resource Center
Denver, CO
www.micasadenver.org
(303) 573-1302
Doing Business with the Federal Government
Procurement Assistance – Overview

DID YOU KNOW…

• The world’s largest buyer of goods and services is the Federal Government, with purchases totaling more than $500 billion per year.

• Contracts exist for every item imaginable, from paper clips to armored tanks

• Federal agencies are required to establish contracting goals, with at least 23 percent of all government buying targeted to small firms.
Doing Business with the Federal Government
Procurement Goals

SBA Certified:
- 8(a)
- HUBZone

Self-Certified:
- Veteran/SDV
- WOSB
- SDB
- Other Small

$115 BILLION available for Small Business

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
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<tbody>
<tr>
<td>8a</td>
<td>5%</td>
</tr>
<tr>
<td>HUBZone</td>
<td>3%</td>
</tr>
<tr>
<td>SDB</td>
<td>5%</td>
</tr>
<tr>
<td>WOSB</td>
<td>5%</td>
</tr>
<tr>
<td>SDV</td>
<td>3%</td>
</tr>
<tr>
<td>Other small</td>
<td>2%</td>
</tr>
<tr>
<td>Goal for Small Business</td>
<td>23%</td>
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How to self-certificate: MUST register in the System for Award Management (SAM) [www.sam.gov](http://www.sam.gov)
The 8(a) team at the Colorado District office currently have 140 active firms. This past year, 7 of their firms were recognized in Denver Business Journal’s Top 20 Minority-Owned Businesses in CO.
Financial Assistance

• Loan Guarantee Program
  • 12 different loan programs
  • Up to $5 million guaranty
  • For start-up & existing businesses
SBA Guarantee Loan Program

Some restrictions apply

• No passive investments
  Can’t use an SBA loan to buy investment properties to fix up and flip, or apartment buildings and mobile homes

• No businesses which benefit primarily from gambling or prurient interest; no businesses located outside of the United States; no businesses selling through pyramid plans

• Can't use SBA funds to pay down delinquent taxes

• Nor to reimburse small business owner for funds already used

• Non-profits aren't eligible
SBA Guarantee Loan Program

How does this process work?

• **Step 1** – Work with SBA and our resource partners to develop a finalized business plan

• **Step 2** – Visit your bank or lending institution to discuss financing options

• **Step 3** – Lender decides whether to work with you on a traditional loan or seek an SBA guarantee

• **Step 4** – Lender contacts SBA to obtain SBA guarantee

• **Step 5** – If approved, lender works with you on loan closing
7(a) Standard Loan Guarantee

- **Loan Amount:** Up to $5 million
- **Use:** Machinery, equipment, furniture & inventory, refinancing on existing loan, real estate, finance long-term or short-term working capital needs
- **Term:** 25 years for real estate acquisition or construction; 10 years for any other type of loan.
- **Guarantee:** 85% guarantee for $150,000 or less, 75% for more than $150,000
- **Interest Rates:**
  - Variable rates are capped as follows:
    - Less than 7 year term, rate is prime plus 2.25%
    - More than 7 year term, rate is prime plus 2.75%
  - Fixed rates are capped between 6.75% to 7.25%
- **Fees** for borrowers usually ranging from 2% to 3.75% of guarantee portion of every loan
SBA Express Loan Guarantee

• Revolving lines of credit up to 7 years, or term loans similar to 7(a) provisions.

• Guarantee only 50% on $350,000 or less

• Rates are capped as follows:
  o Less than $50K, Prime plus 6.5%
  o More than $50K, Prime plus 4.5%

• Faster turnaround, streamlined process
Patriot Express Loan Program

- Revolving lines of credit up to 7 years, or a term loan similar to 7(a) provisions.
- $500,000 maximum loan size
- 85% guarantee for $150,000 or less, 75% for more than $150,000
- Interest rate caps same as 7(a)
- **Small business must be owned and controlled by a veteran or spouse of a veteran (51% percent or greater ownership)**
- Faster turnaround, streamlined process
Small Loan Advantage

- Streamlined process based on SBA Express paperwork and process but for all SBA Preferred Lenders
- $350,000 guarantee
- 85% guarantee for $150,000 or less, 75% for more than $150,000
- Interest rate caps same as 7(a)
- Perfect for lenders who want an easier way to get small businesses the capital they need
- No SBA loan experience required
CAPLines Program

- Exciting way to finance small business working capital needs
- $5 million guarantee, same guidelines as 7(a)
- Uses:
  - **Contract Loan Program** - is used to finance material, labor, and overhead needs for a specific contract or contracts.
  - **Seasonal Line of Credit** - used to support buildup of inventory, accounts receivable or labor and materials above normal usage for seasonal inventory.
  - **Builders Line Program** - provides financing for small contractors or developers to construct or rehabilitate residential or commercial property.
  - **Working Capital Line** - a revolving line of credit that provides short term working capital.
- Excellent way for a small business looking to do contract work with the federal, state or city government
504 Loan Program

Designed as an economic development program to support small business growth and helping communities with

- Business expansion
- Job creation

Provides long-term, fixed-rate, financing for fixed assets or real estate

How it works:

- Lender generally provides 50%
- SBA generally provides 40% financed through CDC
- Borrower down payment between 10-20%
Microloan program

If you’ve been turned down by a bank, these offer small loans for start-ups and existing business up to $50,000

- Can be used for inventory, supplies, furniture, machinery, equipment, working capital, salaries, rent
- Cannot be used for payment of debt and real estate purchases
- Interest Rates between 8-13%

Micro loan intermediaries:

- Colorado Enterprise Fund (SBA funded)
- Region 10 Leap (SBA funded)
- Acción
- Rocky Mountain Micro Finance Institute (RMMFI)
# SBA Loans in Colorado

<table>
<thead>
<tr>
<th>FY2012</th>
<th>Existing Business</th>
<th>New Business</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>965</td>
<td>327</td>
<td>1,292 (#)</td>
<td></td>
</tr>
<tr>
<td>$446 million</td>
<td>$112 million</td>
<td>$558 million</td>
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Total Loans

SBA Loans in Colorado
Surety Bond Guarantee Program

• A bond is an agreement between the surety, the project owner and the contractor.

• SBA guarantees between 70-90% of the bond
  • Reducing the Surety’s liability for each bond
  • Allowing the Surety to issue bonds to contractors that would not otherwise qualify

• Requirements:
  • Must be a small business
  • The contract cannot exceed $6.5 million
  • Bonds must be required in the contract

• Find an Agent: [www.sba.gov/osg](http://www.sba.gov/osg)

• Local Office Contact in Denver, CO
  Jennifer Meyerring
  303-844-2607 ext. 261
  jennifer.meyerring@sba.gov

<table>
<thead>
<tr>
<th></th>
<th>Colorado District Office FY 2012</th>
</tr>
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<tbody>
<tr>
<td>Total Guarantees</td>
<td>202</td>
</tr>
<tr>
<td>Total Contract</td>
<td>$28,483,926</td>
</tr>
<tr>
<td>Amount</td>
<td></td>
</tr>
<tr>
<td>Jobs Created</td>
<td>55</td>
</tr>
<tr>
<td>Jobs Retained</td>
<td>418</td>
</tr>
<tr>
<td>Business Assisted</td>
<td>32</td>
</tr>
</tbody>
</table>
Disaster Assistance

- Direct, low interest loans for:
  - Homeowners
  - Renters
  - Business of all sizes
  - Non-profits

- Physical Disaster Business Loans
- Economic Injury Disaster Loans

<table>
<thead>
<tr>
<th>FY2012 Colorado Disaster Loans</th>
<th>#</th>
<th>$</th>
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<tbody>
<tr>
<td>Home Loans</td>
<td>68</td>
<td>$7.03million</td>
</tr>
<tr>
<td>Business Loans</td>
<td>9</td>
<td>$721k</td>
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<tr>
<td>Total</td>
<td>77</td>
<td>$7.75million</td>
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</table>
Export Assistance

The U.S. Export Assistance Center helps small businesses with the information, counseling, and loans they need to compete in the global marketplace.

Export Loans Available:

- **Export Working Capital Program**— Revolving lines of credit up to $5 million to finance export activities

- **International Trade Loan Program**— Offers loans up to $5 million for exporters or small businesses impacted by foreign competition.

- **Export Express**— Flexible loans for eligible businesses interested in enhancing their export development.

- In FY 2012, **13** Export Loans were made in Colorado totaling $5.99 million
- The state’s largest market was Canada
- The largest merchandise export category was computers and electronic products.
- **89%** of companies exporting in Colorado were small businesses

www.export.gov/colorado
303-844-6623 ext. 218
Laws & Regulations

Office of Advocacy
- Advocate of small business concerns to Congress, White House, and Federal Agencies.
- [http://www.sba.gov/advocacy](http://www.sba.gov/advocacy)
- John Hart, Regional Advocate

National Ombudsman
- Works with Small Business to change regulations that are overly burdensome
- [http://www.sba.gov/ombudsman](http://www.sba.gov/ombudsman)
Online Training

• FREE Online Courses for Small Business Owners
  • Starting a Business
  • Writing a Business Plan
  • Contracting
  • Franchising
  • Disaster Recovery
  • Accounting
  • Financing of Loans
  • Marketing and Pricing
  • Taxes-understanding how and why you pay
  • Planning Your Exit

• www.sba.gov/sba-learning-center
Small Beginnings
Questions???
Small business’s partner for success

Taylor Marshall
Economic Development Specialist
Phone: 303-844-2607 ext 232
E-Mail: taylor.marshall@sba.gov

• Sign Up for our Monthly Newsletter
  (www.sba.gov/co → email updates)

U.S. Small Business Administration
Colorado District Office
303-844-2607, www.sba.gov/co