



Helping Small Businesses Start, Grow and Succeed . . . 2009 Recover Act - Q & A

The American Recovery and Reinvestment Act of 2009 (Recovery Act) was signed into law by President Obama on February 17, 2009. It is an unprecedented effort to jump-start our economy, create or save millions of jobs, and put a down payment on addressing long-neglected challenges so our country can thrive in the 21st century. Below are some frequently asked questions & answers, regarding how it affects small businesses:

Q: How do I apply for these loans? **A:** Borrowers apply for loans directly with their lending institutions, including banks, credit unions, and Small Business Lending Companies. The SBA works with thousands of small and large lenders nationwide. Lenders evaluate loan applications under their lending standards and decide whether to: a) Make the loan through conventional financing -- without a SBA guarantee -- because the borrower meets their conventional credit standards; b) Make the loan with a SBA guarantee if the borrower does not meet conventional standards and is eligible for SBA programs; or c) Decline to make the loan.

Q: What kind of businesses typically get SBA-backed loans? **A:** Typical 7(a) borrowers are entrepreneurs looking to start, expand or acquire a small business. In many cases, the applicant may have a strong business idea, management ability, and sound financial projections, but may have a shortfall in collateral to secure a loan or equity to put into the business. In order to qualify for a SBA 7(a) loan, borrowers must be unable to secure conventional commercial financing on reasonable terms and be a "small business" as defined by the SBA size standards. In 2008, the most frequently financed industries were services, retail trade, accommodations / food service, construction firms, and manufacturing.

Q: I am a small business owner - what does the 90% guarantee mean to me? **A:** It means that the lender will have less risk and a greater sense of security due to the higher guarantee percentage and will be more likely to extend credit to your small business.

Q: Can I go to any lender in my area to take advantage of these new programs? **A:** Only lenders who have been approved to participate in SBA lending programs can assist you with an SBA guaranteed loan. Contact your local SBA District Office to obtain a list of approved participants in your area.

Q: What if I was already turned down by a bank in the past six months? Can I qualify for any of these new programs? **A:** You are eligible to apply, but will need to provide updated financial information that is current within 90 days.

Q: The banks aren't lending to me. So how do any of the programs the President announced help me? **A:** Revisit your lender and specifically ask about the Recovery Act and SBA loans. Many of the provisions in the Act provide incentives to lenders to encourage them to start lending again to get more dollars in the hands of the small businesses that need it most.

To learn more, visit www.sba.gov or contact your local SBTDC at (417) 836-5685.

source: http://www.sba.gov/idc/groups/public/documents/sba_homepage/recovery_act_faqs.pdf

ECONOMIC IMPACT MSU SBTDC

FY2008 RESULTS:

- We served 155 businesses with an average of 13.78 hours per business!
- Over \$12 million in increased sales!
- Over \$11 million in approved loans and investments!
- Assisted in retaining 562 jobs and in creating 1,021 new jobs!
- Assisted in creating 9 new businesses and in the acquisition of 2 existing businesses!
- Offered 78 training events for a total of 1,826 hours of training for small businesses!

Upcoming Training Events:

How to Write a Business Plan
May 6 & 7, 2009
6:00 p.m. - 9:00 p.m.

Understanding Financial Statements
SEMINAR
May 5, 2009
9:00 a.m. - 12:00 p.m.

Understanding Financial Statements
WORKSHOP
May 5, 2009
2:00 p.m. - 5:00 p.m.

How to Control Cash Flow
May 12, 2009
8:30 a.m. - 12:30 p.m.

Predicting Future Cash Needs
May 19, 2009
9:00 a.m. - 12:00 p.m.

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SHOWCASE CLIENT ~A.M. Pyrotechnics~



A.M. Pyrotechnics LLC—was among 20 outstanding small businesses in Missouri honored by members of the General Assembly in January 2009, at a business showcase in Jefferson City. The event, sponsored by the Missouri Small Business & Technology Development Centers (MO SBTDC), highlights the achievements of some of the top performing clients of MO SBTDC and its companion program, the Missouri Procurement Technical Assistance Centers (MO PTAC).

A.M. Pyro. is a leading supplier of pyrotechnic products and services nationally and internationally. The company opened a manufacturing division last year and is now one of only five fireworks manufacturers in the United States, according to Aaron Mayfield, owner of the company.

A.M. Pyro. represents the typical small business, started by a passionate entrepreneur with limited formal business management experience. Now, Mayfield's company has experienced phenomenal growth and he is at the leading edge of his industry. He has introduced much innovation into a 3,000 year-old art form. In his journey from small operator to industry innovator, Mayfield has made a substantial impact on the local economy. The nature of his business requires a substantial number of regular and seasonal employees.

Mayfield is trying to work smarter rather than harder and came to the Springfield SBTDC for assistance pursuing a small business loan. Because of the highly seasonal nature of his business, the financing required is atypical and more difficult to obtain from most lenders. The SBTDC is currently assisting him with the preparation of a formal business plan and with strategies for finding lending opportunities. This approach to developing a more sustainable business model will help manage the company's continued growth.

A.M. Pyro. continues to provide the best and most rare pyrotechnic products to other fireworks companies in the U.S. and Canada and will also work to provide the most professional and artistically choreographed pyrotechnic and pyromusical displays with safety at the forefront in all they do. To learn more, visit www.ampyro.com.