Getting Started

The SBA Advantage for YOUR Small Business

Start and grow your business.

Whether you’re already up and running or just getting started, we can help. Come take a look how.

LET'S GO

www.sba.gov/ct
What do these Companies have in Common?
National Highlights (FY 16)

3 Cs ................

Counseling: SBA counseling centers have served more than 1.4 million businesses in the last fiscal year, providing high-quality business advice.

Capital: SBA had record-setting levels for small business lending with more than 70,000 loans totaling over $28 billion dollars, supporting nearly 694,000 jobs.

Contracting: SBA helped the federal government award the highest percentage - 24.99 percent - of contracting dollars to small businesses in history, totaling $91 billion dollars in the last year alone, AND we broke records for women and socially or economically disadvantaged communities.
Fiscal Year 2016 was one of major achievements. The U.S. Small Business Administration’s Connecticut District Office supported loans for over $284 million dollars through its three main loan programs: the 7(a) Loan Guaranty Program, the Certified Development Company/504 Loan Program and the Micro-Loan Program. Additionally, over 30,000 clients were counseled and trained by the SBA and our resource partners – SCORE, the Connecticut Small Business Development Center, and our Women’s Business Centers in Hartford, Derby, and Stamford. 6,500 jobs were either created and/or retained!
Visit Our Local Website: www.sba.gov/ct
SBA Business Plan Tool

https://www.sba.gov/tools/business-plan/1?from_mobile=true
SCORE

Seven Connecticut Chapters
And on-line at www.score.org (pgs. 15-17)

- Expert business counseling
- Marketing advice
- Business plan preparation
- Loan application assistance
- Online or in person counseling
- FREE AND CONFIDENTIAL

- Fairfield County
- Greater Bridgeport
- Greater Hartford
- Greater New Haven
- Northwest CT
- Southeastern CT
- Western CT
CT Small Business Development Center

www.sba.gov/ctsbdc or 855-4CT-SBDC
Provides confidential business management advising and educational programs to Connecticut businesses each year.

- CTSBDC business advisors have MBA's and former small business owners with expert business tools to assist you.
- CTSBDC No-cost confidential business advising is delivered from over 35 office locations with 27 virtual locations hosted by libraries, statewide and has offices in Bridgeport, Bristol, Danbury, Groton, Hartford, Middletown, New Haven, Stamford, Torrington, Waterford and Waterbury.
- SBDC provides help with capital formation, linkages to Angel Investors, banks, and economic development groups statewide.
Woman’s Business Development Centers

The Entrepreneurial Center -
University of Hartford
Butterworth Hall, 1st Fl.
1265 Asylum Ave.
Hartford, CT 06105
860-768-5667 or 860-768-5681
www.hartford.edu/wbc

Women’s Business Development Council
Stamford
184 Bedford St., Ste. 201
Stamford, CT 06901
203-353-1750 • 203-353-1084 Fax
www.ctwbdc.org

Women’s Business Development Council
Naugatuck Valley
412 Roosevelt Dr.
Derby, CT 06418
203-751-9550
www.ctwbdc.org

www.sba.gov
Veteran Business Outreach Center

Veterans Business Outreach Center of New England
Coverage: Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire & Maine
Website: www.cweonline.org/vboc
Telephone: 401-427-6536
Email: blafauci@cweonline.org
Financing Your Business

What Banks Look For:

- Owners and operators w/ good credit & character
- Feasible business plan – Does it make sense and is it sufficiently thorough?
- Management expertise and commitment necessary for success
- Sufficient funds, including SBA guaranteed loan, to operate the business on a sound financial basis
- Adequate equity investment in the business – borrower’s stake in the business
- Sufficient collateral – does it provide sufficient protection to the lender?
- Repayment – Will the loan repay from earnings of the business

To be eligible for an SBA Loan, Businesses must:

- Be operated for profit
- Not exceed SBA size standards
- Not engage in lending, real-estate development, investments or speculation
**Connecting Borrowers with SBA Approved Lenders**

**StepONE**
Answer a few questions about your business

**StepTWO**
Hear from SBA Lenders within 2 business days

**StepTHREE**
Receive information on free and low-cost training options

**Affordable Rates & Terms**

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<tr>
<td><strong>Loan Amounts</strong></td>
<td>Up to $5 million</td>
</tr>
<tr>
<td><strong>Maximum Rates</strong></td>
<td>4% - 10%</td>
</tr>
<tr>
<td><strong>Term</strong></td>
<td>Up to 25 Years</td>
</tr>
<tr>
<td><strong>Uses</strong></td>
<td>Starting a Business; Working Capital; Purchasing property; Equipment, Fixtures, Inventory, Lease-hold improvements; Refinancing debt</td>
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*Maximum rates as of May 2015, subject to change

- [LINC Borrower FAQ](#)
- [LINC Lender FAQ](#)

Login or Register to find a lender now

[Log In]  [Register]
(7a) Guaranteed Loan

Made by private lenders, with SBA guarantee.

SBA helps the bank get to the YES decision.

Maximum loan size $5 million

- 85% guaranty on loans below $150,000.
- 75% guaranty on loans above $150,000.

7(a) loans may be used to:

- Purchase machinery, equipment, fixtures, buildings, land;
- Finance receivables and augment working capital;
- Refinance existing debt (with compelling reason);
- Finance seasonal lines of credit; and/or
- Expand, renovate facilities;
- Construct commercial buildings.
All SBA 7(a) Loans of $150,000 or less have:
- NO Guaranty fee
- NO on-going servicing fee for the lender

ALL SBA Express loans to VETERANS*
- No guaranty fee up to $350,000 on all Express Loans

7(a) Loans from $150,000 up to $500,000 only assessed 50% of the regular fee

* Veterans, National Guard, Reservist and spouses of the above are eligible.
Why Do Lenders Use the SBA Guaranty?

- Longer maturities are needed
- Collateral may be inadequate to meet normal underwriting
- Start-up or certain types of businesses
- Business leverage
- Lender’s legal or policy limit
- Minimize risk

Terms:

Flexible Maturities:
- Up to 10 years for working capital
- Up to 25 years for fixed assets

Interest Rates:
- Negotiated between borrower and lender
- Typically, can not exceed Prime plus 2.75%
SBAExpress:

- 50% of SBA guaranteed loans in Connecticut are being made under our SBA Express Loan Program
- Term loans or revolving lines of credit, up to $350,000.
- SBA guarantee of 50%
- User friendly program for bank and borrower
- Uses lender’s forms, processes and procedures, not the SBA’s, which expedites loan approval and process.
### CAPLine Program

<table>
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<tr>
<th>Category</th>
<th>Description</th>
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</table>
| **Working Capital** | • Finances short term working capital needs  
                   • Applicant must sell on credit and create A/R  
                   • Must not be used to acquire fixed assets                                                                                          |
| **Contract CAPLine** | • Finances labor, materials, and overhead to perform under one or more contracts.  
                     • May not be used to cover any mark-up or profit.                                                                                   |
| **Seasonal CAPLine** | • Finances the seasonal cash needs (A/R and Inventory) of a business  
                    • Must be able to show seasonality  
                    • Funds must not be used to maintain activity during slow periods of business cycle.                                      |
| **Builder’s CAPLine** | • Finances direct expenses related to construction (commercial and residential buildings for resale)  
                        • Not used for investment RE                                                                                                           |
**SBA Microloans** — Direct loans up to $50,000

- "**SBA will not make a bad loan good, but will make a good loan possible**"
- SBA’s purpose is to help businesses with a reasonable chance of succeeding, obtain financing needed on equitable terms.
- Fixed Interest rate & Longer Terms.
- Includes technical assistance.

Funds can be used for:

- Working Capital
- Inventory
- Machinery & equipment
- Furniture & fixtures
- Refinancing of business and credit card debt
SBA Micro-Lenders

ACCIÓN 10 Fawcett St., Ste. 204
Cambridge, MA 02138
617-625-7080 or 866-245-2783
617-625-7020 Fax
info@accion.org
www.accion.org

Community Economic Development Fund
965 E. Main St.
Meriden, CT 06450
203-235-2333 or 888-835-2333
John Beir, Director of Lending
j.beir@cedf.com  www.cedf.com

HEDCO Inc., 15 Lewis St., Ste. 204
Hartford, CT 06103
860-527-1301 • 860-727-9224 Fax
Fernando Rosa
fernandor@hedco-ct.com
www.hedco-ct.com

Community Investment Corporation
2315 Whitney Ave., Ste. 2B
Hamden, CT 06518
203-776-6172 • 203-776-6837 Fax
Buck Harris, Bharris@ciclending.com
www.ciclending.com
504 Loans in a Nutshell: Think BIG! (pg. 36)

What?
- Great for capital assets. Long-term financing for major fixed assets - think BIG!
- Obtain up to 90% financing and a low fixed rate on the CDC/SBA portion.
- Below market pricing with minimum cash injection.
- Owner occupancy = 51% for existing building; 60% for new construction (plan to occupy additional 20%).
- Up to $5.5 million in SBA-backed debentures

How?
Apply through SBA approved certified development company. They take care of all SBA paperwork!
## 504 Certified Development Partners

<table>
<thead>
<tr>
<th>Organization</th>
<th>Address</th>
<th>Contact Details</th>
<th>Website</th>
<th>Coverage Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Investment Corp.</td>
<td>Hamden, CT</td>
<td>(203) 776-36172</td>
<td><a href="http://www.ciclending.com">www.ciclending.com</a></td>
<td>State-wide</td>
</tr>
<tr>
<td>Housatonic Industrial Dev. Corp.</td>
<td>Danbury, CT</td>
<td>203-743-0306 ext. 11</td>
<td><a href="http://www.hidc-ct.org">www.hidc-ct.org</a></td>
<td>State-wide</td>
</tr>
<tr>
<td>Bay Colony Development Corp.</td>
<td>Waltham, MA</td>
<td>(781)-891-3594</td>
<td><a href="http://www.baycolony.org">www.baycolony.org</a></td>
<td>(Litchfield, Hartford, Tolland and Windham Counties)</td>
</tr>
<tr>
<td>Ocean State Business Development</td>
<td>Providence, RI</td>
<td>(401) 454-4560</td>
<td><a href="http://www.osbda.com">www.osbda.com</a></td>
<td>(Middlesex, New London &amp; Windham Counties)</td>
</tr>
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For more information, read our 2016 Resource Guide! pg. 36
Government Contracting

FACT: The U.S. Government is one of the largest buyers of goods and services in the world.

The Goal → 23% of U.S. Government contracts awarded to small businesses!

AND

→ 5% to Women-Owned Businesses
→ 5% to Small Disadvantaged Businesses
→ 3% to HUBZone Businesses
→ 3% to Service Disabled Veteran-Owned Businesses
Government Contracting

Getting Started: 1. SAM ; 2. FPDS ; 3. FBO

1. Registering with SAM  [www.sam.gov](http://www.sam.gov) (FREE)

   – Buying agencies can search the SAM or Dynamic Small Business Search for vendors.

   – Creating and updating your small business profile in SAM gives your firm access to contracting opportunities.

   – Need a DUNS number --- Tel. #: 1-866-705-5711

   – Tax Id Number (TIN) --- IRS
Government Contracting

Myths and Realities About Government Contracting

• **Myth:** Doing business with the government is too complicated and it takes forever to get paid.

• **Reality:** The government uses many commercial and business-friendly practices
  • buying off-the-shelf
  • paying by credit card
  • generally, payments received within 30 days of invoicing, 15 days with QuickPay
Government Contracting

Getting Started – Registering with *FPDS* and *FedBizOpps*

2. DO RESEARCH ([www.fpds.gov](http://www.fpds.gov))

3. SEARCH OPPORTUNITIES ([www.fbo.gov](http://www.fbo.gov))
Thank You For Your Time!

QUESTIONS?

Moraima Gutierrez
Assistant District Director for Economic Development

(860) 240-4654
moraima.gutierrez@sba.gov