

# NEWSLINE

A MONTHLY NEWSLETTER FROM THE SAN DIEGO DISTRICT OFFICE

Helping small businesses start, grow and succeed.



Your Small Business Resource

November 2008

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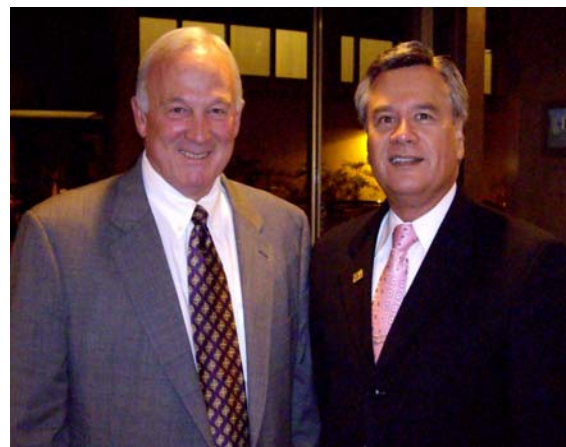
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## San Diego Mayor Jerry Sanders—Honoree of the Most Admired CEO in Government Category—from SDBJ



Brian Bostrom Photography

**2008 Most Admired CEOs Honored**—The San Diego Business Journal honored 10 of the top chief executive officers from public, private, & government



L-R: Armon Mills, Publisher, San Diego Business Journal, Ruben Garcia, SBA District Director, Reo Carr, Associate Publisher . SDBJ receive Certificate of Appreciation from the SBA for the 2nd Annual Most Admired CEO Awards ceremony held at the San Diego Marriott Hotel & Marina. Mayor Sanders was Honoree in Government Category.

### 2009 SBA Small Business Awards Nominations

**San Diego Deadline Extended to Dec 19, 2008!**

Email [Cynthia.Harris@sba.gov](mailto:Cynthia.Harris@sba.gov)

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## SBA Announces New Ways to Improve Small Businesses Access to Capital

In response to the credit crunch, today SBA's Acting Administrator Sandy K. Baruah announced important loan program changes to help the agency's lending partners increase access to capital for small businesses.

First, an interim final rule allowing new SBA loans to be made with an alternative base interest rate, the one month LIBOR rate (London Interbank Offered Rate), in addition to the prime rate, which was previously allowed. In the past 60 days, both the prime and LIBOR rates have not yet returned to their historical relationship—of roughly 300 basis points between the two

rates. The mismatch between the rates is squeezing SBA lenders out of the lending market, since their costs are based on the LIBOR rate.

"This change will help more small businesses obtain capital to grow their businesses and create new jobs," Baruah said. "By allowing both rates, SBA is making its programs more flexible, increasing opportunities to access capital and giving both lending partners and small business customers more options to meet their needs."

The second change allows a new structure for

assembling SBA loans into pools for sale in the secondary market. The enhanced flexibility in loan pool structures can help affect profitability and liquidity in the secondary market for SBA guaranteed loans, especially with the current market conditions. Because the average interest rate is used, these pools are easier for pool assemblers to create, thus providing incentives for more investors to bid on these loans.

[See Access to Capital page 3](#)

# EVENTS AROUND SAN DIEGO



(L to R) Claudia Bodan of B of A, Therese Cisneros-Remington - current/founding President of NLBWA San Diego Chapter, Dr. Ruben Garcia - SBA District Director, San Diego , Patricia Diaz Dennis - Sr. VP & Assistant General Counsel for AT&T, Rita Cruz-Gallegos - NLBWA Conference Chair - Managing Partner of Genesis Consultants and Theresa Ynzunza - National President of National Latina Business Women Association.

The above attended the National Latina Business Women Association (NLBWA) National Conference. Approximately 200 attended this business seminar and expo. To learn more visit [www.nlbwa.com](http://www.nlbwa.com)



Patricia Diaz Dennis, Sr. Vice President and Assistant General Counsel for AT&T keynoted the National Latina Business Women Association Conference luncheon, at the Hyatt Regency Hotel in La Jolla, CA. Ruben Garcia, SBA District Director, San Diego was the MC for the event.

(L to R) Ditas Ymani, President, National City Chamber of Commerce Rigoberto Herrera, Branch Manager, Vibra Bank, and Jacqueline Reynoso, CEO, National City Chamber of Commerce presented Vibra Bank the Corp Membership Plaque at the Access to Capital Summit workshop.



## Photo taken at the National City Chamber of Commerce Access to Capital Breakfast

(L to R) Ditas Ymani, President, National City Chamber of Commerce; Rigoberto Herrera, Vibra Bank; Ruben Garcia, SBA District Director; Miguel Vasquez, Union Bank; Tony Porras, USA Federal Credit Union; Eduardo Cruz, Icons Industrial Consultants; and Jacqueline Reynoso, CEO of the National City Chamber of Commerce



## Ask SCORE

### TIPS AND TOOLS FOR TACKLING TAXES

Mention “taxes” to an entrepreneur and the likely response will be a rolling of the eyes, a litany of complaints about the complexities of the rules governing small businesses, and a few well-chosen verbal jabs at the U.S. Internal Revenue Service (IRS).

Though IRS may be the agency everyone loves to hate, they only manage the tax laws and policies that Congress passes. And rather than being a bane to small business, the agency has taken several initiatives to be a benefit to owners and the self-employed by providing much-needed guidance to tax procedures and requirements without those confusing “Gov-speak” terms.

One of the chief improvements is a special Web site, [www.irs.gov/smallbiz](http://www.irs.gov/smallbiz). This is a great place to give yourself a tax smarts tune-up. And what

could be more authoritative than information coming from the chief tax honchos themselves?

A section called “Starting, Operating or Closing a Business,” for example, covers a tremendous amount of tax territory and includes much of

“business” is really just a hobby, your expenses may not be deductible. Look for their nine-point checklist to see how you stack up. Also visit the “Industries/Professions” section for specific information about tax regulations that may apply to your type of business.

For the self-employed and independent contractors, there’s a full section that covers filing requirements, when a tax identification number is necessary, a listing of special publications and forms, responsibilities associated with operating and closing a business, and other valuable information.

To learn more about tax matters facing your small business, contact SCORE “Counselors to America’s Small Business.” SCORE is a non-profit organization of more than 10,500 volunteer business counselors who provide free, confidential business counseling and training workshops to small business owners. Call 1-800/634-0245 for the SCORE chapter nearest you, or find a counselor online at [www.score.org](http://www.score.org).

Ask SCORE your question. Email [sd.score@sba.gov](mailto:sd.score@sba.gov) or visit [www.score-sandiego.org](http://www.score-sandiego.org) for additional information.



the site’s most useful information. This is where you’ll find IRS rules on hiring your own kids or other family members, recordkeeping, employer ID numbers and selecting a business structure.

There’s also help answering a key tax-related question: Is what you are doing a true business or merely a hobby? If the IRS decides your

The advice and information under “Operating a Business” is helpful for just about any type of small business. If you have employees, you’ll find resources on hiring, employment taxes and wage reporting requirements. And the all-important “Business Expenses” section defines the types of costs you can and cannot deduct from your taxes.

## Access to Capital Continued

“The challenge small businesses face today is not the cost of capital, it is access to capital,” said Baruah. “Interest rates are at historically low levels meaning money is inexpensive, yet lenders aren’t lending and borrowers aren’t borrowing. This indicates markets are frozen due to liquidity concerns. This interim final rule is an important step to

reenergize the lenders to make SBA-backed loans and will help open the gateway of capital for entrepreneurs.”

“SBA moved quickly on these changes after consulting with small businesses, lending partners and other government agencies,” said Eric R. Zarnikow, SBA’s Associate Administrator for the Office of Capital Access. “We’re

confident these solutions will help free up capital so lenders can continue to make SBA-backed loans.”

By addressing market issues that were impeding the funding streams for both lenders and small businesses, SBA is making capital more available to America’s small businesses. The SBA will be issuing additional technical

guidance to lenders in the coming weeks relating to the implementation of these important changes.

For more information on the interim final rule or to share your comments, visit [www.regulations.gov](http://www.regulations.gov).

To learn more about SBA’s guaranteed loan programs visit [www.sba.gov](http://www.sba.gov).

## Meet a San Diego District Office Employee



### Bonnie Valentine, SBA San Diego - Business Development

Bonnie has been a federal employee for a total of 29 yrs, 18 of which have been with the SBA. Her first position at SBA was as Administrative Officer, followed by Lender Relations Specialist, in 2005. She currently holds the position of Business Development Specialist.

Bonnie has a son and daughter, both adults, and is a loving grandmother of 5 grandsons, Matthew (12), Nicholas (9), Oliver (6), Makoa (2), and Kihei (5 mos.). She is very close to her children and their families and spends a lot of her free time with them.

## SAN DIEGO DISTRICT OFFICE FISCAL YEAR 2009 ACTIVITY OCTOBER 1, 2008 THROUGH OCTOBER 31, 2008

	Number of Loans	Dollar Amount
7(a) Loans	31	\$8,775,000
504 Loans	7	\$5,648,000
<b>Total</b>	<b>38</b>	<b>\$14,423,000</b>

EDF Resource Capital, Inc.	4	\$3,017,000
Temecula Valley Bank	4	\$2,914,200
CDC Small Business Finance Corporation	3	\$2,678,000
JPMorgan Chase Bank, NA	3	\$52,000
Pacific Capital Bank, NA	2	\$819,000
Wells Fargo Bank, NA	2	\$148,300
Borrego Springs Bank, NA	2	\$100,000
California Bank & Trust	2	\$70,000
Fullerton Community Bank, FSB	1	\$1,192,300
Discovery Bank	1	\$559,000

### Training Calendar

A list of events from SBA and our resource partners may be found at [www.sba.gov/ca/sandiego](http://www.sba.gov/ca/sandiego) under Training Calendar.

**December 4 - Small Business Orientation** presented by the NCSBDC in Oceanside, CA.

**December 10- Internet Marketing** presented by SCORE in San Diego, CA.

**December 11 - IRS Tax Workshop** presented by the SBDITC in National City, CA.

**Call for Upcoming Workshops - (760) 312-9800** presented by Imperial Valley SBDC in El Centro, CA.

#### **SBA San Diego Management Staff**

[Ruben R. Garcia](#)

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[Anthony J. Vigil](#)

Deputy District Director

[Terrill K. Ashker](#)

District Counsel

[Rosa M. Rodarte](#)

Lead Business Dev. Specialist

[Juliane Talley](#)

Lead Business Dev. Specialist

The U. S. Small Business Administration was created in 1953 to maintain and strengthen the nation's economy by aiding, counseling, assisting, and protecting the interests of small businesses and by helping families and businesses recover from national disasters.

SBA's San Diego District Office is your small business resource for access to capital, counseling services, training, and government contracting opportunities, to help start or grow a small business in San Diego and Imperial counties. Our programs and services are delivered through participating lenders and our resource partners, SCORE: Counselors to America's Small Businesses and Small Business Development Centers.

Newsline is produced by the U. S. Small Business Administration's San Diego District Office. Subscribe to Newsline by registering online at [web.sba.gov/list](http://web.sba.gov/list). Look for San Diego News.

Send questions or comments to the Newsline Editor, Cynthia Harris, Business Development Specialist, at [Cynthia.Harris@sba.gov](mailto:Cynthia.Harris@sba.gov).