

MONTANA DISTRICT OFFICE E-NEWS

October 2008



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Helping small businesses
start, grow and succeed.



Your Small Business Resource

DIRECTOR'S MESSAGE

SBA's Montana District Office had another successful year, despite the economy's uncertainty in 2008. During FY08, the Montana SBA guaranteed 362 loans totaling over \$82,256,762 to Montana small businesses. Of these loans, 324 for \$60,433,762 were made through SBA's 7(a) Guaranty Loan Program which provides short or long term financing for small business start-up or expansion needs. Thirty-eight loans totaling \$21,823,000 were made through SBA's 504 Certified Development Company program which provides long term fixed rate financing for land, buildings and equipment.

Restaurants, specialty trade contractors, landscaping services, child day care services, electrical contractors, and hotels/motels were among the most frequently financed businesses during FY 2008. Of the 362 loans, 81 loans totaling \$13,276,600 were made to women owned businesses, 62 loans totaling \$10,758,835 were made to veterans, and 39 loans totaling \$7,838,400 were made to minority business owners.

The Montana District Office will be recognizing our top lenders and CDC's for their SBA lending volume. The Montana District Office will also be giving out a new award this year for the Emerging SBA Lender of the Year. Awards this year will be presented to Glacier Bancorp, Inc. for the holding company generating the most SBA guaranteed loans throughout the state during FY08. Glacier Bancorp Inc. approved 75 SBA loans totaling \$6.9 million. The award for greatest number of loans will be presented to Yellowstone Bank. During this past year, Yellowstone Bank generated

34 SBA loans for a total of \$4,665,900. Montana Community Finance Corporation ended the year as the number one CDC for number of loans, approving 21 loans for \$9,926,000. Big Sky Economic Development Corporation was the CDC to produce the greatest 504 dollar volume of loans with 14, totaling just over \$10 million. The Emerging SBA Lender of the Year award goes to Farmers State Bank who closed 25 loans for \$4,662,400.

A big congratulations to all our lenders and partners for a successful year. Without you we would not have succeeded in delivering nearly \$85 million to our small businesses across our great state!

We also want to congratulate the National Park Service on being selected as the 2008 Agency of the Year for Montana for their support of SBA's 8(a) Minority Business Development contracting program. During FY 2008, NPS awarded 11 contracts totaling \$3,138,308 to six separate 8(a) contractors. NPS will receive their award November 4th at the NPS Administration Bldg. in West Glacier.

Congratulations are also in order for M3 Meats of Sidney for being named SBA's 2008 Minority Small Business of the Year. M3 Meats, Inc. was started in June 2006, as an S-Corporation by officers Clay Moran, President; Cheryl Moran, Secretary; and Elmer and JoAnne Christensen, shareholders. In March 2007, the company received an SBA 504 loan with Montana Community Finance Corporation of Helena and 1st Bank in Sidney to purchase a piece of land and construct a new plant facility to expand their operations. Currently M3 Meats, Inc. provides wholesale and retail products to customers. They

also market ground beef and portion cuts from locally grown cattle to restaurants and commercialize home-made sausages, jerky, bacon and hams as retail products through the company's small deli.

Not only did we succeed in providing loans to our small businesses, but the Montana District Office had a very successful year in training our lenders through one-on-one and ready-talk training as well as the statewide lender conference that was held in Polson this past month (see page 2 for article). Small business owners were also given trainings held by the SBA including 8(a), Hubzone, and Government Contracting workshops as well as the statewide Women's Conference in Chico Hot Springs. Overall the District Office provided training to over 2,000 individuals in FY2008.

Another great achievement came with the announcement that Robert Much has been selected as the Montana District Office's Lead Business Development Specialist. With Robert's new title comes new responsibilities, therefore the District Office staff will be altering some of their direct responsibilities, please see article on Page 2 for new roles and responsibilities.

Finally, remember SBA offers valuable online training to assist your clients and customers with everything from starting a business and creating a business plan to managing a business, marketing, building a website and more. Log onto www.sba.gov/training for a list of courses.



Robert Much, Lead Business Development Specialist

Robert Much has been selected as the Montana District Office's Lead Business Development Specialist, effective October 12th.

Robert's career in the Federal Government began during the Vietnam War. He spent four years active duty in the U.S. Navy. He continued his military service with the next 22 years in the Naval Reserve.

In October 1991, Robert began his career with SBA as a liquidation

loan officer. Over the years, he has held several positions within the office as a Loan Processing Loan Officer, LowDoc Loan Specialist, and BIC Manager. In May 2000, Robert transferred to the 8(a) Business Development Division as a Business Opportunity Specialist and has held that position until his recent promotion. Please join us in congratulating Robert.

With Robert's promotion, the Montana District Office staff will be

realigning . Kelly Dixon and John Donovan will be taking over the 8(a) portfolio, each accounting for 50% of the portfolio. Rena Carlson will be the primary Lender Relations Specialist, with John Donovan as a secondary contact. Crystal Baker will continue as the Program Support Assistant, but will be taking over the Public Affair duties, as well as some additional administrative responsibilities.

CHANGES TO 7(A) AND 504 GUARANTY

Each year SBA reviews the fees payable to SBA by 7(a) participating lenders, certified development companies (CDCs), and borrowers to determine if they are sufficient to cover the estimated costs of the 7(a) and 504 loan programs. The purpose of this notice is to announce the revised fees for both programs for loans approved during FY 2009, beginning October 1, 2008. The fees being revised are imposed under Section 7(a)(23) of the Small Business Act and Sections 503(b)(7) and 503(d)(1) of the Small Business Investment Act. (At this time, there are no changes to any of the other

fees payable to SBA in either the 7(a) or 504 loan programs.)

The 7(a) program fees paid to SBA will keep the 7(a) program at a zero subsidy rate. The CDC program will have a negative subsidy rate for 2009 because the SBA does not have the authority to reduce any other fees.

7(a) Loan Program

For 7(a) loans approved on or after October 1, 2008, the "yearly fee" due from participants to SBA will be 55 percent (55 basis points) of the guaranteed portion of the outstanding

balance on the 7(a) loan. In the 7(a) Authorization Wizard this is referred to as the "ongoing service fee."

504 Loan Program

For 504 loans approved on or after October 1, 2008, the "ongoing guarantee fee" paid by borrowers to SBA will be reduced from 0.021 percent (2.1 basis points) of the outstanding balance of the 504 loan to zero basis points. In addition, the on-time guaranty fee that SBA is authorized to charge 504 borrowers remains at zero points.

2008 LENDER CONFERENCE

The 2008 SBA Montana Lender Conference was very successful. Approximately 70 attendees were able to enjoy 1½ days of training at the KwaTaqNuk Resort in Polson. Lenders heard from guest speakers from the SBA Office of Credit Risk Management, National Guaranty Purchase Center, Office of Financial Assistance, and many

more. The topics presented included loan processing, 504 loans, loan servicing, liquidation, lender risk ratings, and SBA's new loan processing SOP 50-10(5). The attendees also enjoyed a boat ride on Flathead Lake as well as a networking social hosted by Coastal Securities.

We received excellent feedback from the attendees and hope to continue this tradition and offer another statewide Lenders Conference this coming year in another great location. Thanks again to all that came and we hope to see you throughout FY09.

CURRENT SACRAMENTO LOAN PROCESSING CENTER CONTACTS

Address to mail ALL Applications:

Sacramento Loan Processing Center
6501 Sylvan Road
Suite 111
Citrus Heights, CA 95610

7a/RLA/CAPLine Loan Applications

Fax Applications: 916-735-1960

Phone: 916-735-1554

PLP/SBAExpress/Community Express/Patriot Express Loan Applications

Fax Applications: 916-735-0640

Hien Nguyen 916-735-1200

Hardy Slay 916-735-1223

Barbara Stefani 916-735-1224

Richard Taylor 916-735-1221

Lender Certifications and Renewals (PLP/SBAExpress/Community Express/Patriot Express)

Fax: 916-735-0643

Sally Schimmel 916-735-1216

Please take note of these phone and fax number changes!

SEEKING NOMINATIONS FOR STATE'S TOP SMALL BUSINESS OWNERS AND ADVOCATE CHAMPIONS

The SBA Montana District Office is seeking nominations for its 2009 Small Business Week Awards to be announced in early May 2009. Nominations are being accepted for outstanding small business owners and advocate champions in a variety of categories ranging from the Montana Small Business Person of the Year, to Financial Services Champion of the Year, and Small Business Community of the Year Award, which recognizes the top small business minded community in Montana. For a complete list of award categories and nomination

guidelines log onto <http://www.sba.gov/localresources/district/mt/news/index.html>.

Any individual or organization such as professional and trade associations, business organizations, chambers of commerce, banks or employees of a small business, can submit nominations. Nominations will be evaluated on the basis of staying power, growth in number of employees, financial growth, innovation of product or service, response to adversity, small business advocacy, and community involvement. All nominations must be mailed or

delivered to the Montana SBA District Office, 10 W. 15th St., Suite 1100, Helena, MT 59626, no later than November 28, 2008. For additional information on the Small Business Week Awards program, or to request nomination forms, please contact SBA's Rena Carlson at 406.441.1086.

MONTANA BUSINESS RESOURCE GUIDE



The Montana District Office is currently planning the next edition of the Montana Small Business Resource Guide, which is designed to help small businesses solve problems, and locate key public and private sector organizations and individuals.

The format will be similar to last year's resource guide. The distribution list will include individual start-up and established small businesses, chambers of commerce, small business development centers, lenders, advertisers, libraries, SCORE Chapters, community devel-

opment corporations, and economic development groups.

Your participation in this guide is critical to its success. Without the support of advertisers we will not be able to provide this invaluable resource to you for your clients! If you wish to be a part of this valuable resource, please contact **Rena Carlson at 406.441.1086 by October 24th.**



Deadline for Small Business Week Nominations is November 28, 2008.

8(A) GRADUATE OF THE YEAR

Silver Wolf Enterprises of Great Falls, MT has been named SBA's 2008 8(a) Graduate of the Year for Montana. Silver Wolf Enterprises is a wholesale distributor for American Standard water heaters, Bunn coffee brewers, Mr. Slim A/C Units, Whirlpool & Frigidaire appliances, Manitowoc & Scotsman ice machines, water distillers and Oasis water fountains. The company sells to government entities located throughout the United States and around the world.

John Gilbert, Owner/CEO, launched Silver Wolf Enterprises in 1998, offering Durastill water coolers and water products. Wanting to break into the government contracting arena, he applied for and was accepted into SBA's 8(a) Minority Enterprise Development Program in June of that same year.

In 2000, Gilbert diversified his business and branched out into offering commodities for resale, and now

sells everything from frozen beef to canned peas to the USDA. Gilbert was successful in being added to the GSA multiple schedules as a supplier for bungee cords, water coolers, and appliances in 2003. Through Gilbert's tenure in the 8(a) Program, he received close to 100 government contracts totaling nearly \$22 million. Silver Wolf Enterprises graduated in June 2007.

For Gilbert, the 8(a) Program provided not only an enhanced marketing opportunity to access the government marketplace, but also valuable training and critical networking opportunities. During the company's two remaining transition years in the 8(a) program, Gilbert successfully increased his non 8(a) sales by a staggering 71%. "Silver Wolf Enterprises leveraged their 8(a) status in the early years to gain exposure and experience in competing for government contracts, said SBA District Director Michelle Johnston. Their

solid reputation and superior customer service has solidified their position as a leader in this arena".

Silver Wolf Enterprises was presented with the 8(a) Graduate of the Year Award on October 16, 2008.

For more information about Silver Wolf Enterprises, log onto www.silverwolfenterprises.com. Additional information on SBA's 8(a) program can be found at www.sba.gov or by contacting the Montana District Office at 406.441.1081.



John Gilbert, Owner/CEO of Silver Wolf Enterprises

**MONTANA SBA LOAN ACTIVITY FY2008
RANKED BY NUMBER OF SBA LOAN APPROVALS**

Lender Name	\$	#	Holding Company	\$	#
YELLOWSTONE BANK	\$4,665,900	34	GLACIER BANCORP, INC.	\$6,900,000	75
VALLEY BANK OF HELENA	\$2,191,100	33	YELLOWSTONE HOLDING COMPANY	\$4,665,900	34
STOCKMAN BANK OF MONTANA	\$6,880,500	30	STOCKMAN FINANCIAL CORPORATION	\$6,880,500	30
FARMERS STATE BANK	\$4,662,400	25	FARMERS STATE FINANCIAL CORPORATION	\$4,662,400	25
MONTANA COMMUNITY FINANCE CORPORATION	\$9,926,000	21	U.S. BANCORP	\$504,300	16
WESTERN SECURITY BANK	\$1,486,800	19	WELLS FARGO & COMPANY	\$5,522,400	15
U.S. BANK NATIONAL ASSOCIATION	\$504,300	16	FIRST INTERSTATE BANCSYSTEM, INC	\$3,039,000	12
WELLS FARGO BANK, NATIONAL ASSOCIATION	\$5,522,400	15	MONTANA SECURITY INC	\$1,060,000	9
BIG SKY ECONOMIC DEVELOPMENT CORPORATION	\$10,012,000	14	AMERICAN HERITAGE HOLDINGS	\$325,000	8
FIRST INTERSTATE BANK	\$3,039,000	12	MOUNTAIN WEST FINANCIAL CORPORATION	\$2,509,100	8
BIG SKY WESTERN BANK	\$330,100	9	CAPITAL ONE FINANCIAL CORPORATION	\$360,000	7
INDEPENDENCE BANK	\$1,060,000	9	GREAT NORTHERN BANCSHARES, INC.	\$904,900	6
BORREGO SPRINGS BANK, N.A.	\$325,000	8	POPULAR NORTH AMERICA, INC.	\$3,765,900	6
GLACIER BANK	\$1,219,000	8	CAPITA CORPORATION	\$3,766,000	5
BANCO POPULAR NORTH AMERICA	\$3,765,900	6	F.S.B. HOLDING COMPANY	\$960,900	5
FIRST SECURITY BANK OF MISSOULA	\$1,673,000	6	HEARTLAND FINANCIAL USA, INC.	\$1,394,400	5
MOUNTAIN WEST BANK, NATIONAL ASSOCIATION	\$340,000	6	INNOVATIVE FINANCE CORPORATION	\$42,500	5
THREE RIVERS BANK OF MONTANA	\$904,900	6	BANKCDA	\$497,500	4
CIT SMALL BUSINESS LENDING CORPORATION	\$3,766,000	5	FIRST NATIONAL BANCORP, INC.	\$240,500	4
FIRST SECURITY BANK OF HELENA	\$960,900	5	MISSOULA FCU	\$568,500	4
ROCKY MOUNTAIN BANK	\$1,394,400	5	MONTANA COMMUNITY BANKS, INC.	\$1,013,452	4
SUPERIOR FINANCIAL GROUP, LLC	\$42,500	5	FIRST COMMUNITY BANCORP, INC.	\$590,000	3
BANKCDA	\$497,500	4	FLATHEAD HOLDING COMPANY OF BIGFORK	\$1,230,000	3
CAPITAL ONE, NATIONAL ASSOCIATION	\$270,000	4	INTER-MOUNTAIN BANCORP, INC.	\$448,700	3
FIRST NATIONAL BANK OF MONTANA, INC.	\$240,500	4	BB&T CORPORATION	\$3,057,000	2
MISSOULA FCU	\$568,500	4	BUTTE BANK SHARES, INC.	\$417,000	2
CAPITAL ONE BANK (USA), NATIONAL ASSOCIATION	\$90,000	3	JORGENSON HOLDING COMPANY	\$274,500	2
COMMUNITY BANK, INC.	\$960,952	3	RAVALLI COUNTY BANKSHARES, INC.	\$272,435	2
FIRST COMMUNITY BANK	\$590,000	3	RICHLAND FCU	\$180,600	2
FIRST SECURITY BANK	\$448,700	3	TETON BANCSHARES, INC.	\$92,900	2
FLATHEAD BANK OF BIGFORK	\$1,230,000	3	TREASURE STATE BANK	\$243,000	2
BRANCH BANKING AND TRUST COMPANY	\$3,057,000	2	ANTLER LAND COMPANY	\$150,000	1
FIRST CITIZENS BANK OF BUTTE	\$417,000	2	BANCORP OF MONTANA HOLDING COMPANY	\$686,375	1
FIRST NATIONAL BANK & TRUST CO OF WILLISTON	\$274,500	2	BANK OF AMERICA, NATIONAL ASSOCIATION	\$31,000	1
FIRST NATIONAL BANK OF FAIRFIELD	\$92,900	2	CHOTEAU BANCORPORATION, INC.	\$217,000	1
HIGH PLAINS FINANCIAL, INC.	\$1,417,000	2	FBOP CORPORATION	\$125,000	1
MOUNTAIN WEST BANK OF KALISPELL	\$2,169,100	2	FORSYTH BANCSHARES, INC.	\$61,400	1
RICHLAND FCU	\$180,600	2	HIGH TRUST BANK	\$1,280,000	1
TREASURE STATE BANK	\$243,000	2	LAKESIDE BANK HOLDING COMPANY	\$150,000	1
WEST ONE BANK	\$272,435	2	MALTA BANQUO, INC.	\$515,000	1
BANK OF AMERICA, NATIONAL ASSOCIATION	\$31,000	1	PRAIRIE MOUNTAIN BANK	\$126,000	1
BANK OF MONTANA	\$686,375	1	S.B.T. FINANCIAL, INC.	\$230,000	1
CAPITAL ACCESS GROUP	\$468,000	1	SALISH & KOOTENAI BANCORPORATION	\$275,000	1
COMMUNITY BANK-MISSOULA, INC.	\$52,500	1	STERLING FINANCIAL CORPORATION	\$25,000	1
EAGLE BANK	\$275,000	1	WATFORD CITY BANCSHARES, INC.	\$172,700	1
FIRST INTERNATIONAL BANK & TRUST	\$172,700	1			
FIRST STATE BANK OF FORSYTH	\$61,400	1			
HIGH TRUST BANK	\$1,280,000	1			
LITTLE HORN STATE BANK	\$150,000	1			
MCKENZIE COUNTY BANK	\$150,000	1			
PRAIRIE MOUNTAIN BANK	\$126,000	1			
SAN DIEGO NATIONAL BANK	\$125,000	1			
STERLING SAVINGS BANK	\$25,000	1			
THE CITIZENS STATE BANK OF CHOTEAU, MONTANA	\$217,000	1			
THE STATE BANK OF TOWNSEND	\$230,000	1			
VALLEY BANK OF GLASGOW	\$515,000	1			

Certified Development Company - 504 Loans

Lender Name	\$	#
MONTANA COMMUNITY FINANCE CORPORATION	\$9,926,000	21
BIG SKY ECONOMIC DEVELOPMENT CORPORATION	\$10,012,000	14
HIGH PLAINS FINANCIAL, INC.	\$1,417,000	2
CAPITAL ACCESS GROUP	\$468,000	1