

# Michigan District Office

Annual Report  
FY 2004



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## How to Contact Us & Our Partners

**SBA - Michigan District** ..... <http://www.sba.gov/mi>  
 Detroit ..... (313) 226-6075  
*(see page 15 for additional numbers)*

### Business Information Centers

Flint ..... (810) 767-6412  
 Grand Rapids ..... (616) 458-3404

### Michigan Small Business and Technology Dev. Centers

..... <http://www.misbtcdc.org>  
 Alpena ..... (989) 358-7375  
 Detroit ..... (313) 967-9295  
 Escanaba ..... (906) 786-9634  
 Flint ..... (810) 767-6494  
 Grand Rapids ..... (616) 331-7370  
 Harrison ..... (989) 802-0993  
 Kalamazoo ..... (269) 337-7350  
 Lansing ..... (517) 483-1921  
 Mt. Clemens ..... (586) 469-5118  
 Saginaw ..... (989) 686-9597  
 Traverse City ..... (231) 922-3780  
 Ypsilanti ..... (734) 547-9170

### Microlenders

Ann Arbor ..... (734) 677-1400  
 Flint ..... (810) 239-5847  
 Grand Rapids ..... (616) 458-3404  
 Marquette ..... (906) 228-5571  
 Saginaw ..... (989) 759-1395  
 Traverse City ..... (231) 941-5858

### SCORE “Counselors to America’s Small Business”

..... <http://www.scoremichigan.org>  
 Ann Arbor ..... (734) 665-4433  
 Cadillac ..... (231) 775-9776  
 Detroit ..... (313) 226-7947  
 Grand Rapids ..... (616) 771-0305  
 Holland ..... (269) 392-2389  
 Kalamazoo ..... (269) 381-5382  
 Muskegon ..... (231) 722-3751  
 Petoskey ..... (231) 347-4150  
 Traverse City ..... (231) 947-5075

### U.S. Export Assistance Centers

..... <http://www.exporthmichigan.com>  
 Detroit ..... (313) 226-3650  
 Grand Rapids ..... (616) 458-3564  
 Pontiac ..... (248) 975-9600  
 Ypsilanti ..... (734) 487-0259

### Women Business Centers

..... <http://www.onlinewbc.gov>  
 Ann Arbor ..... (734) 677-1400  
 Benton Harbor ..... (269) 925-6100  
 Grand Rapids ..... (616) 458-3404

### Michigan Technical Assistance Centers

..... <http://www.michigantac.org>  
 Lansing ..... (517) 241-2471

# Message from the Director



Dear Small Business Supporter,

What a great year SBA and the Michigan District Office have had in serving small business owners! Nationally, SBA had a record-shattering year by backing 82,993 loans totaling \$16.45 billion to small businesses; assisting more than 2.4 million entrepreneurs with business counseling and training; and providing procurement counseling and training to more than 34,000 businesses.

Locally, the Michigan District Office guaranteed 2,050 loans worth almost \$470 million. This was an increase of 19% in the number of loans and 24% in dollars over the previous year, both all-time records for SBA lending in Michigan. Over the past two years, the number of SBA loans in the state has increased by a whopping 78%. SBA's achievements in accomplishing all of these records can be directly attributed to our outstanding lending partners.

The Michigan Small Business and Technology Development Center, under the guidance of Grand Valley State University and State Director Carol Lopucki, continued its outstanding performance in assisting entrepreneurs through its many counseling and training activities, as it exceeded its goals by 32%. The SBTDC continues to have a significant economic impact on new business starts and jobs created or sustained in Michigan.

SCORE's "Counselors to America's Small Businesses" celebrated 40 years of selflessly volunteering their time to provide guidance to small business people who are starting or expanding a business. SCORE has provided assistance to more than 6.5 million entrepreneurs since 1964, and is an invaluable resource here in Michigan.

In September we sponsored the 2nd Annual Women's Economic Development Outreach (WEDO). This event was held in Clinton Township, Grand Rapids, Lansing, Livonia, and Traverse City over five successive days. SBA's Deputy Administrator Melanie Sabelhaus was the keynote speaker at the Livonia conference. Over 650 women entrepreneurs were in attendance at these outstanding training and networking events, a robust 42% increase over last year's WEDO.

During the year, we continued to increase our outreach to bring our programs to even more people. In addition to our "routine" programs, we worked with many partners on such special events as the Black Business Expo with Bank One; Detroit Regional Chamber's Small Business Conference; Annual Women & Procurement Conference with the Michigan Women's Business Council; Regulatory Fairness Board Roundtable; SBA Awards Breakfast with the Holland Area Chamber of Commerce; SBA Lenders' Conference; Roundtables with both Comerica Bank and the Detroit Entrepreneurship Institute; 21st Century Jobs and Entrepreneurship with the Detroit Regional Chamber and the SBTDC; and several congressional workshops.

We also increased our efforts to reach out to small businesses to help introduce them to buyers from large corporations and government agencies. To do this, we held a unique Business Matchmaking Conference in Southfield with more than 450 in attendance. Deputy Administrator Sabelhaus also kicked-off this event. In addition, throughout the year we participated in the State of Michigan's Business Opportunity Forums. We will continue to help open doors to new contracting opportunities for Michigan's small businesses.

In closing, I want to thank all of our resource partners for the best year in our history. We would not have achieved this without the Michigan Small Business and Technology Development Center, SCORE, the Women Business Centers, and all of our lending partners. I greatly appreciate their continued support and assistance. I want to especially recognize our "graduating" WBC, Detroit Entrepreneurship Institute, and its outstanding director, Cathy McClelland, for its many years of service.

I would also like to thank the excellent SBA staff in the Michigan District Office for their hard work, dedication, and commitment to the thousands of small businesses that drive our Michigan economy. With their help and that of our many partners, I look forward to reaching out to the small business community and increasing our service delivery even more in 2005.

Sincerely,

A handwritten signature in dark ink that reads "Richard Temkin". The signature is written in a cursive style.

Richard Temkin  
District Director

# Recognition & Awards

## Small Business Week Awards

Small Business Week is a time to celebrate the contribution small business owners make to our economic well-being and overall quality of life. Small businesses (firms with fewer than 500 employees) employ 51% of the private nonfarm work force, produce 51% of private sector output, and represent more than 99% of all employers. The importance of small business in Michigan is clearly demonstrated in the chart on page 16.

In 2004, over three thousand small business owners from across the country attended the SBA's Expo '04: Celebrating National Small Business Week in Orlando, Florida, May 19-21. This event celebrated the contributions of small businesses to America's economy. Highlights included the SBA Hall of Fame, the National Small Business Awards, and Business Matchmaking.

The Michigan District Office presented its Michigan Small Business Person of the Year and Advocate awards at an outstanding awards breakfast in Holland that was attended by over 200 people where we honored our 2004 award winners:

### Small Business Person of the Year

Dean T. Smith  
Speciality Heat Treating, Inc., Holland

### Family-Owned Small Business of the Year

Jon Subar  
Model Coverall Service, Inc., Grand Rapids

### Financial Services Advocate

Patrick Barbour  
Huntington National Bank, Holland

### Minority Small Business Advocate

Ann Williams  
Michigan Department of Transportation, Oak Park

### Women In Business Advocate

Debra Loeser  
Classic Printers, Rochester Hills

### Counselor of the Year

Robert Heasley  
Michigan Small Business and Technology  
Development Center & SCORE, Kalamazoo

An exciting new event that we are working on is the inaugural Michigan Celebrates Small Business Awards banquet. It will be held on April 28 in Lansing. The SBA is working with the Michigan Economic Development Corporation, Small Business Association of Michigan, and the Small Business and Technology Development Center to put on a very special event that I would encourage you to attend.

## Minority Small Business Award

During National Minority Enterprise Development Week, September 7-10, SBA recognizes the contributions that minority entrepreneurs make to the nation's economy. This year's recipient of the Michigan Minority Small Business of the Year award was Joseph Huang of American Systems Technology, Inc., Troy. Mr. Huang also received the regional Minority Small Business of the Year award as he was selected from the winners in Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin for this honor.

## Lender Awards

One of the highlights of our annual Michigan Lenders' Conference are the awards we present to lenders to recognize outstanding performance in the SBA loan guaranty program in Michigan during the prior fiscal year. These awards were presented last March to the top SBA lenders of FY 2003.

### Michigan Lender of the Year

National City Bank

### PLP Lender of the Year

Republic Bank

### 504 Lender of the Year

Bank One

### Business Development Lender of the Year

Capital One, FSB

### Community Lender of the Year

Franklin Bank

### SBAExpress Lender of the Year

National City Bank

### SBA LowDoc Lender of the Year

Fifth Third Bank

# Government Contracting

The U.S. Government is the world's largest purchaser of goods and services. To help small businesses receive a fair share of contracts, SBA negotiates goals annually with each federal agency. Currently, the overall small business goal is 23%. This includes goals of 5% to women-owned businesses, 5% to small disadvantaged businesses, 3% to service disabled veteran-owned businesses, and 3% to HUBZone small businesses.

Under the Small Business Act, federal agencies announce a variety of procurements that are reserved exclusively for small business participation. These transactions are called "small business set-asides" and include the 8(a), HUBZone, Service Disabled Veterans, and Very Small Business Programs.

To increase the awareness of small business people, we participated in 11 Business Opportunity Forums with the State of Michigan and other resource partners in which we met on a one-on-one basis with over 800 people to discuss contracting opportunities. In addition, SBA held a Business Matchmaking Conference in Southfield so that the 450 attendees could better understand the procurement process of local, state, and federal agencies as well as major corporations.

## Central Contractor Registration

The Central Contractor Registration (CCR) is the primary vendor database for the Federal Government. Vendors are required to register in CCR in order to be awarded contracts by the government. By completing a one-time registration and renewing it annually, vendors increase their opportunities to be considered for government contracts. CCR also facilitates paperless payments through electronic funds transfer. Additionally, CCR shares the data with government procurement and electronic business systems. Visit CCR at <http://www.ccr.gov>.

## 8(a) Program

The 8(a) program is a business development program for small businesses that are owned, managed, and controlled by individuals who are socially and economically disadvantaged, and have the capacity and capability to sell products or services to the federal government.

As of September 30, there were 119 Michigan firms in the 8(a) program. The breakdown of the portfolio by race/ethnicity is as follows: African American - 70 firms; Asian Indian - 12 firms; Hispanic - 18 firms; Native American - 15 firms; Asian - 6 firms; and Caucasian - 5 firms. There are 46 8(a) firms in the professional services industry, 28 in construction, 9 manufacturers, 19 service, and 15 wholesale/retail.

## Small Disadvantaged Business Certification

Since 1998, Small Disadvantaged Businesses (SDB) need to be certified to receive certain procurement preferences in doing business with the federal government and prime contractors. The SDB preferences apply to many federal procurements in select industries in which SDBs are underutilized. There are 133 SDB certified firms in Michigan.

## HUBZones

Historically Underutilized Business Zones provide contracting preferences to small businesses that are located in a HUBZone and hire employees who live in a HUBZone. These businesses have the opportunity to negotiate sole source contracts, participate in restricted competition with other HUBZone firms, and are allowed a 10% price evaluation preference in full and open competition. There are 244 HUBZone certified businesses in Michigan.

## Very Small Business Program

The Very Small Business (VSB) program is a pilot program designed to increase opportunities for small businesses with 15 or fewer employees and less than \$1 million in sales. Procurement requirements estimated to be between \$2,500 and \$50,000 must be reserved for eligible VSB concerns.

Information on the 8(a), HUBZones, and SDB programs is provided by SBA at a 9:00 a.m. orientation session on the first Wednesday of each month at the McNamara Federal Building in Detroit. Please call (313) 226-6075 x253 for more information.

## Other Programs

Other contracting programs also provide valuable services to small businesses, including verification of a small business's competency to complete a job when it has lost its bid to a larger company; subcontracting assistance; and breakout procurement assistance. For more information, please call Pamela Thompson, Government Contracting Specialist, at (586) 574-5513.

## Michigan Technical Assistance Centers (PTACs)

PTACs are a state-run program to help small business owners locate procurement opportunities. With 13 locations statewide, PTACs use skilled professionals to assist businesses in acquiring state and federal government contracts. Although not an SBA sponsored resource, many PTACs are co-located with such SBA resource partners as SBTDCs. To locate a PTAC near you, please call (517) 241-2471 or visit their Web page at <http://www.michigantac.com>.

# Counseling & Training

SBA provides a broad range of counseling and training opportunities through partnerships with many state and local organizations across Michigan. Beginning in 1964 with SCORE, SBA resources have been expanded to include the Michigan Small Business and Technology Development Center (SBTDC), Women Business Centers, Export Assistance Centers, and Business Information Centers/Biz Resource Centers. In FY 2004, our partners reported over 43,000 counseling cases, training attendees, and BIC/BRC clients. This is an increase of more than 7% from the previous year.

Contact numbers for the following resource partners are listed on page 2.

## RESOURCE PARTNERS

### Michigan Small Business and Technology Development Centers

Under the leadership of our state host, Grand Valley State University, the SBTDC had another outstanding year as its counseling and training programs continued to serve the wide-ranging needs of Michigan's small business owners. In FY 2004, more than 8,000 businesses were served with one-on-one counseling; 1,715 jobs were created; and more than 7,000 clients received training. The SBTDC provided this assistance through its 12 regional centers and over 80 other local partners.

The second year of the SBTDC's technology initiative saw significant growth as two part-time technology business consultants (TBC) were added, one specializing in marketing and the other in research. Currently, the SBTDC has four TBCs providing in-depth assistance to life science, advanced manufacturing, and information technology clients throughout Michigan. By August 2004, 19 Small Business Innovation/Small Business Technology Transfer Research grant applications had been submitted.

The SBTDC Web site, [www.misbtdc.org](http://www.misbtdc.org), continues to log impressive numbers. From January through October 2004, it received over 2 million successful requests, from 40,683 distinct hosts with 54,302 successful downloads. In addition, the Web site contains a menu that includes technology initiatives and Spanish language access.

### Business Information Centers/Biz Resource Centers

The SBTDC opened four additional Biz Resource Centers in 2004, bringing the statewide total to 21 BIC/BRCs. They offer the latest in high-tech hardware and business software, as well as a wealth of print material to assist current and prospective business owners in such areas as writing business plans, conducting market research,

and designing brochures. Over 4,000 clients used BIC/BRC resources in FY 2004.

## SCORE

In 2004 the counseling and training efforts of SCORE again hit a new high with an 11% increase over FY 2003, as SCORE's counselors provided counseling and training to more than 11,900 clients. Nationally, Michigan ranked eighth in on-line counseling, tenth in total counseling sessions and ninth in the growth of total services. The average number of total counseling sessions per chapter was twice the national average. Some of the highlights of SCORE chapter activity for FY 2004 are listed below:

Ann Arbor, now the state leader in total counseling sessions, was ranked fifth nationally (of 389 chapters) in on-line counseling. Traverse City was the leader in growth of total sessions, recording a 74% increase over FY 2003. It was followed closely by Muskegon which registered a 59% increase. Detroit had the greatest absolute increase of 686 sessions.

The Kalamazoo chapter opened a new branch in Benton Harbor and the former Holland branch was established as the new SCORE Chapter 686, the ninth chapter in Michigan.

Special congratulations go to Assistant District Director Bob Heasley who was named 2004 Michigan Small Business Counselor of the Year. Bob has served in multiple roles with SCORE, including Kalamazoo Chapter Chairman and Michigan District Director. He has also served as the Regional Director of the Small Business Development Center at Kalamazoo College.

The Grand Rapids chapter has conducted an extensive outreach program offering SCORE services to a significant number of small communities in Kent, Montcalm and Ionia counties. It also had an aggressive Legislative Contact program that resulted in exceeding its goal by 250%. The chapter also exceeded its goal for counseling cases with an increase of 10.5% over FY 2003, and total volunteer hours increased by 49%. The chapter also held 27 "Plan and Start Your Business" workshops with over 200 attendees.

The Muskegon Chapter implemented a marketing plan, increased and improved on the number and diversity of counselors, increased public relations by attending various trade shows and civic organizations, and added a branch location to the chapter. These activities contributed to increasing the number of counseling sessions by 286 over FY 2003.

# Counseling & Training

A major highlight for the Detroit Chapter was the announcement that its client was the third place winner in the Ford/SCORE/Diversity Business Plan Contest. Bob Mazur, R.A. Mays Co, of Plymouth won \$25,000 to help his start-up business featuring “The Purrfect Opener,” a device to assist the elderly in opening everyday household containers.

## U.S. Export Assistance Centers

This “one-stop” source for small business export information and assistance is a partnership of SBA, U.S. Department of Commerce, and the Export-Import Bank. These centers provide counseling, training, market research, and trade finance assistance. During FY 2004, Michigan’s four USEACs counseled and trained 1950 clients. Thirty-four loans were made to exporting companies supporting \$32.4 million in export sales. This is a \$7 million increase over FY 2003..

## Women Business Centers

The Center for Empowerment and Economic Development (CEED) launched the Michigan Women’s Marketplace ([www.miwomen.com](http://www.miwomen.com)), an online resource and business community for women business owners. The Michigan Women’s Business Council, a program of CEED, held its annual Women’s Business Conference and Expo in Novi. Over 450 women business owners and purchasing agents from regional and national corporations were in attendance. CEED also expanded its microloan program to include Livingston, Lenawee, Jackson, and Hillsdale counties.

Grand Rapids Opportunities for Women (GROW) welcomed the Kent Area Micro-Business Loan Services and the SBA’s Business Information Center to its office. GROW produced the “Voices of GROW,” a CD underwritten by United Bank, to help share the many motivational stories from its graduates and former board members. GROW has conducted 27 graduating classes.

The Detroit Entrepreneurship Institute (DEI), Inc. successfully completed its funding cycle with SBA in FY 2004. Under the leadership of Cathy McClelland, DEI was a highly recognized Women’s Business Center which helped thousand of clients. During its last year in the program, DEI provided counseling and training to more than 2,200 people. DEI’s recent move to a much larger facility that it owns will allow it to expand its other programs for Detroit’s entrepreneurs, and SBA looks forward to continuing our long relationship with this outstanding organization.

## SPECIAL PROGRAMS

SBA conducted many special programs during FY 2004:

**SBA’s 6th Annual Lenders’ Conference** was held in March in Lansing with over 180 lenders participating. This conference was followed-up by five loan officer seminars conducted throughout Michigan.

**Financing Roundtables by TEAM SBA** is designed to help entrepreneurs understand the commercial loan process. Small groups of attendees meet with small business banking officers, SBA loan officers, and consultants from the SBTDC to discuss their financing needs and to learn the loan application process. A total of 39 roundtables with 287 participants were held throughout Michigan in FY 2004.

**Business Matchmaking Conference** was held in Southfield in June with over 450 attendees. The small business owners in attendance received information on how to obtain both government and private sector contracts.

## Women’s Economic Development Outreach

The 2<sup>nd</sup> annual Women’s Economic Development Outreach (WEDO) was a big success again this year with over 650 women from across the state attending in Clinton Township, Grand Rapids, Lansing, Livonia, and Traverse City. The inspirational presenters at the five WEDO events provided excellent insight about financing, marketing, and business development.

## MARKETING AND OUTREACH

Highlights of the Michigan District Office marketing efforts in FY 2004 included:

**Presentations:** SBA staff made over 100 presentations throughout Michigan on all aspects of SBA programs and small business related subjects to better inform and educate our customers.

**Publications:** Michigan District Office SBA publications include the Annual Report, *Bank Notes* Newsletter, *Small Business Beat* Newsletter, and *Michigan Small Business Sourcebook*. Over 20,000 copies of the *Sourcebook* were distributed in FY 2004.

**Media:** In addition to writing by-line articles and distributing press releases to Michigan’s print, radio, and television media, we participated in numerous interviews discussing SBA’s programs and services and general small business issues. This outreach enabled us to reach thousands of business owners state-wide.

# Financial Assistance

In FY 2004, the Michigan District Office set an all time record for the number and dollar value of loans approved in both the 7(a) and 504 loan programs, as we guaranteed 2,050 7(a) and 504 loans worth almost \$470 million. This was an increase of 333 loans and \$92.4 million from FY 2003. The average loan size was \$229,268 versus \$219,964 last year.

SBA's loan programs benefit the entire state. Small businesses in 414 cities within 79 of Michigan's 83 counties received an SBA guaranty loan. Lists of loan activity by city and county are on pages 12 and 13 respectively. While virtually all commercial banks are eligible to make SBA guaranteed loans, lenders which participated in at least one 7(a) loan during FY 2004 are listed on page 11.

## 7(a) Program

Under section 7(a) of the Small Business Act, the SBA may guarantee loans to small businesses when financing is unavailable on reasonable terms through normal lending channels. The 7(a) program may be used by either start-ups or growing businesses to purchase fixed assets, provide working capital, and refinance debt.

These loans are guaranteed up to 85% on loans up to \$150,000 and 75% on loans greater than \$150,000. The maximum amount that SBA may guaranty under this program is \$1.5 million and the maximum loan size is \$2 million. Guarantee fees for 7(a) loans generally range from 2% to 3.5% of the guaranteed portion of the total loan.

SBA has several programs under the 7(a) umbrella to meet the needs of small businesses. These include the fast growing *SBAExpress* program, as well as the *SBALowDoc*, *CAPLines*, and *Preferred Lender* programs.

*SBAExpress* expedites the lending process by enabling lenders to use their own documentation and procedures to approve and service loans. The SBA may guaranty up to 50% of *SBAExpress* loans. In FY 2004, we guaranteed 981 of these loans for \$76.6 million. *SBAExpress* continues to be an extremely popular program, as the number of loans increased by 43% over the prior year; the dollars approved increased by 85%. This disparity was due to the temporary increase in the maximum amount of an *SBAExpress* loan to \$2 million during the last six months of FY 2004. The maximum amount of an *SBAExpress* loan is now \$350,000.

*SBA LowDoc* allows the lender to submit a one-page application to SBA for loans of \$150,000 or less. The application is usually faxed in and processed within 36 hours. In FY 2004, 249 *SBA LowDoc* loans for a total of \$22.9 million were approved.

The *CAPLines* program may be used to finance seasonal working capital needs; direct costs for manufacturing, construction, service, and supply contracts; and operating capital by obtaining advances against existing inventory and accounts receivable. In FY 2004, we approved 30 of these loans for \$12,798,770.

The *Preferred (PLP)* lender program was developed to expedite the lending process for commercial lenders which have extensive experience with SBA lending. *PLP* lenders enjoy full delegation of authority and can decide unilaterally on SBA participation for eligible business loans. In FY 2004, Michigan *PLP* lenders approved 368 loans worth more than \$181.8 million.

Lenders participating in the *PLP* and *Express* programs are listed on page 10.

## 504 Program

The 504 program uses *Certified Development Companies (CDCs)* to provide long-term, fixed-rate financing to growing small businesses to acquire fixed assets. *CDCs* are public-private organizations, usually community based, created to foster economic development within a particular region. Michigan *CDCs* are listed on page 10.

SBA loans approved under the 504 program must create or retain jobs. Typically, 50% of the financing comes from the bank (secured with a senior lien), 40% from an SBA guaranteed debenture (up to a maximum \$1,500,000 or up to \$4,000,000 for certain qualified projects), and 10% from the small business. As shown on page 11, in FY 2004 the Michigan District Office approved 145 504 loans for over \$67.1 million. These loans are expected to create 1,702 new jobs.

## Portfolio Management

As of September 30, there were 5,277 SBA business loans in Michigan with an outstanding balance of more than \$900 million and a currency rate of 94.5%. This compares to 4,806 loans for \$800 million and a currency rate of 86.1% one year ago.

Since the SBA has centralized its loan servicing and liquidation activities, most of these loans are being handled in either the *Fresno Commercial Loan Center* or the *National Liquidation & Guaranty Purchase Center* in Herndon, Virginia. However, the Michigan District Office is still handling the liquidation of 504 loans. In addition, it has responsibility for about 400 disaster home loans that are in litigation.

# Financial Assistance

## Other Financial Assistance Programs

The SBA funds several intermediaries in Michigan to deliver both microloans and venture capital to small businesses. Available on a limited basis, the Microloan program provides loans up to \$35,000 for the purchase of machinery and equipment, furniture and fixtures, inventory, supplies, and working capital. In FY 2004, Michigan's six SBA microlenders approved 43 loans.

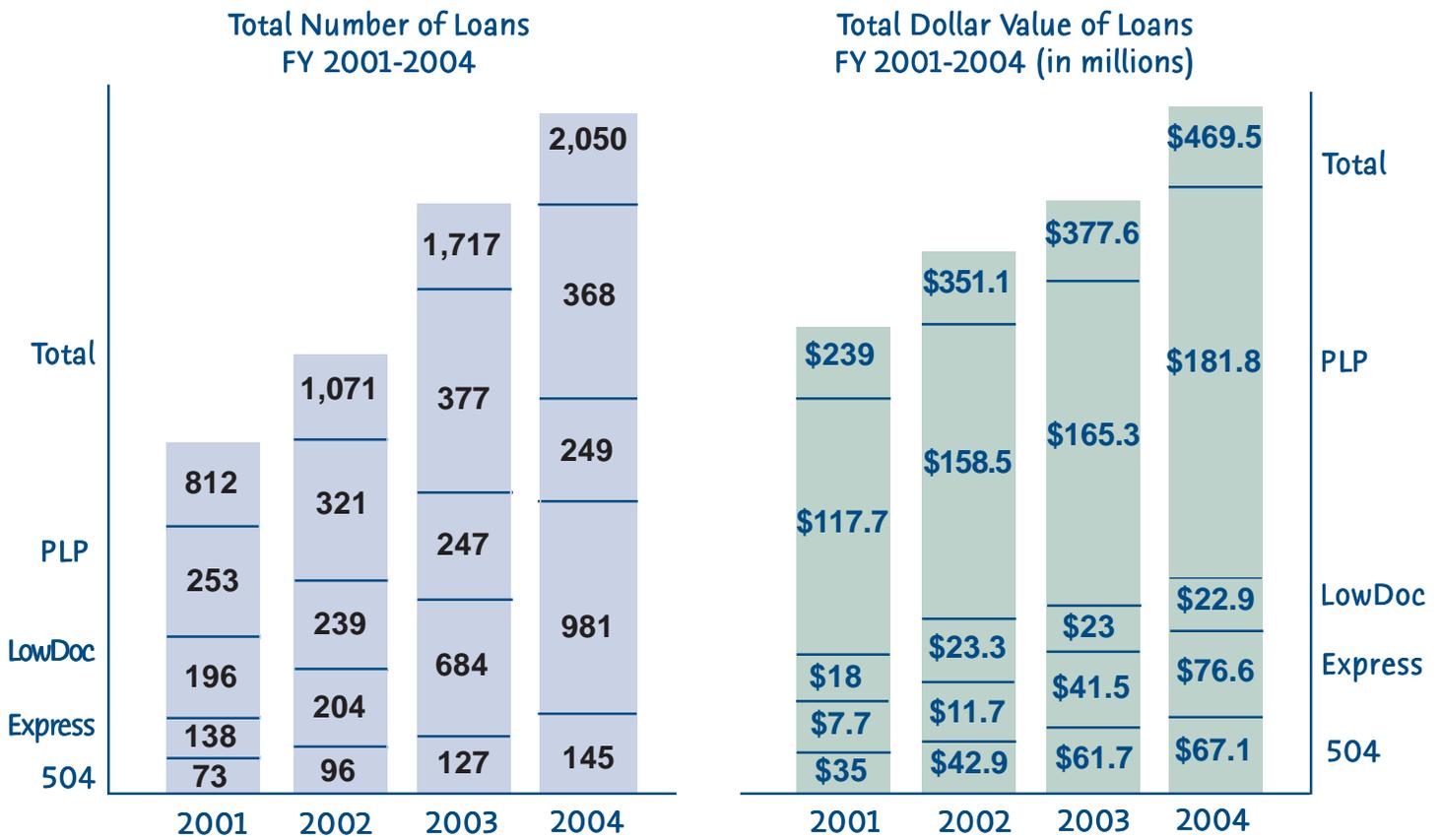
The SBA also offers financing through its Small Business Investment Companies and Specialized Small Business Investment Companies. SBICs supply equity capital, long-term loans, and management assistance to qualified businesses owners. SSBICs offer the same assistance to small businesses owned by socially and economically disadvantaged entrepreneurs.

Through its Surety Bond Program, the SBA may guaranty bid, performance, and payment bonds for contracts up to \$2.0 million for small contractors which cannot obtain surety bonds through regular commercial channels. SBA works with surety companies across Michigan. In FY 2004, 59 bid bond guaranties worth

more than \$14.1 million, and 20 final performance and payment bonds worth more than \$19.4 million were written.

SBA is the primary source of federal funds for long-term disaster recovery assistance. Low interest loans are available to homeowners, renters, and business owners in federally declared disaster areas to replace or repair business facilities, inventory, machinery, equipment, etc. not covered by insurance. Economic injury disaster loans are also available to provide working capital to small businesses that suffered economically due to the impact of a disaster on their business activities.

There were several disaster declarations covering Michigan counties in FY 2004. As a result, 2,307 disaster home loans worth \$25.1 million and 181 disaster business loans totaling \$3.2 million were approved. Most of these loans were made in Wayne County for the flooding caused by severe storms during the week of May 20-24.



# Financial Assistance

## **PREFERRED LENDERS**

Ann Arbor Commerce Bank  
Bank One  
Brighton Commerce Bank  
Business Loan Center  
Capitol National Bank  
CIT Small Business Lending Corp.  
Citizens Bank  
Comerica Bank  
Detroit Commerce Bank  
Fifth Third Bank  
GE Capital Small Business Finance  
Grand Haven Bank  
Huntington National Bank  
Irwin Union Bank  
Kent Commerce Bank  
KeyBank  
Macomb Community Bank  
Muskegon Commerce Bank  
National City Bank  
Newtek Small Business Finance  
Oakland Commerce Bank  
Paragon Bank & Trust  
Portage Commerce Bank  
Republic Bank  
Standard Federal Bank  
United Bank of Michigan  
United Midwest Savings Bank  
U.S. Bank  
Unizan Bank  
UPS Capital Business Credit  
Wachovia Small Business Capital  
Wells Fargo Bank

## **CERTIFIED DEVELOPMENT COMPANIES**

**Economic Development Foundation-Certified**  
P (616) 459-4825

### **Growth Finance Corporation**

P (231) 937-7429

### **Lakeshore 504**

P (616) 392-9633

### **Metropolitan Growth and Development Corp.**

P (313) 224-0820

### **Michigan Certified Development Company**

P (517) 886-6612

### **Oakland County Business Finance Corporation**

P (248) 858-0879

### **SEM Resource Capital**

P (734) 464-4418

## **EXPRESS LENDERS**

American Express Centurion Bank  
Ann Arbor Commerce Bank  
Bank One  
Brighton Commerce Bank  
Capital One, Federal Savings Bank  
Capitol National Bank  
Central State Bank  
Century Bank and Trust  
Chemical Bank and Trust Company  
Chemical Bank - Shoreline  
Citizens Bank  
Citizens First Savings Bank  
Citizens National Bank of Cheboygan  
Commercial Bank  
Detroit Commerce Bank  
Fifth Third Bank  
Franklin Bank  
Grand Haven Bank  
Hillsdale County National Bank  
Huntington National Bank  
Huron Community Bank  
Innovative Bank  
Ionia County National Bank  
Irwin Union Bank  
Kent Commerce Bank  
KeyBank  
Keystone Community Bank  
Macatawa Bank  
Macomb Community Bank  
Mercantile Bank of West Michigan  
Metrobank  
Muskegon Commerce Bank  
National City Bank  
Newtek Small Business Finance  
Northwestern Savings Bank & Trust  
Oakland Commerce Bank  
Old Mission Bank  
Oxford Bank  
Paragon Bank & Trust  
Portage Commerce Bank  
Republic Bank  
Sky Bank - Mid Am Region  
Standard Federal Bank  
TCF Bank  
The Honor State Bank  
The State Savings Bank  
United Bank of Michigan  
United Midwest Savings Bank  
Unizan Bank  
U.S. Bank  
Wells Fargo Bank

# 7(a) Loan Activity By Lender

LENDER	LOANS	AMOUNT	LENDER	LOANS	AMOUNT
1. National City Bank	350	\$27,743,000	59. Bank of Northern Michigan	2	\$731,000
2. Capital One	210	\$9,060,000	60. Northpointe Bank	2	\$581,000
3. Fifth Third Bank	188	\$37,780,410	61. Small Business Loan Source, Inc.	2	\$440,000
4. Bank One	146	\$20,434,700	62. Greenville Community Bank	2	\$430,000
5. Republic Bank	125	\$42,123,109	63. ShoreBank	2	\$415,000
6. Comerica Bank	81	\$46,632,300	64. Peoples State Bank	2	\$283,519
7. Capitol Bancorp	80	\$16,387,991	65. Mason State Bank	2	\$225,000
8. Standard Federal Bank	53	\$12,348,500	66. Seaway Community Bank	2	\$168,500
9. Huntington National Bank	52	\$9,295,797	67. New Liberty Bank	2	\$162,500
10. Innovative Bank	46	\$245,000	68. Oxford Bank	2	\$158,000
11. Business Loan Center	45	\$27,159,800	69. Bank of Lenawee	2	\$150,000
12. Chemical Financial Corp.	45	\$9,021,538	70. Ionia County National Bank of Ionia	2	\$117,100
13. Macatawa Bank	39	\$6,379,150	71. Bank of America	2	\$35,000
14. Wells Fargo Bank	36	\$4,564,300	72. American Express Centurion Bank	2	\$22,500
15. CIT Small Business Lending Corp.	29	\$14,979,500	73. Unity Bank	1	\$875,000
16. KeyBank	26	\$9,322,100	74. UPS Capital Corp.	1	\$800,000
17. Irwin Union Bank	24	\$13,196,100	75. First Defiance Financial Corp.	1	\$750,000
18. United Bank of Michigan	22	\$9,275,300	76. State Bank of Escanaba	1	\$750,000
19. Citizens Bank	21	\$6,446,800	77. Firstbank	1	\$700,000
20. Franklin Bank	21	\$4,647,393	78. Wachovia SBA Lending, Inc.	1	\$575,000
21. Citizens First Savings Bank	20	\$1,995,800	79. Flagstar Bank	1	\$520,000
22. Unizan Bank	15	\$8,077,300	80. Metrobank	1	\$500,000
23. Commercial Bank	12	\$1,217,300	81. Citizens National Bank	1	\$300,000
24. Mercantile Bank of West Michigan	11	\$5,516,200	82. State Savings Bank	1	\$270,000
25. Century Bank and Trust	11	\$1,064,000	83. Matrix Capital Bank	1	\$190,000
26. Northwestern Bank	10	\$3,792,000	84. Eastern Michigan Bank	1	\$185,000
27. Stearns Bank	9	\$3,273,300	85. American National Bank	1	\$172,800
28. Old Mission Bank	7	\$2,225,964	86. First Federal of Northern Michigan	1	\$170,000
29. Keystone Community Bank	7	\$651,000	87. Paramount Bank	1	\$150,000
30. Newtek Small Bus. Finance, Inc.	6	\$2,293,500	88. Zions Bank	1	\$150,000
31. Charter One Bank	6	\$996,000	89. The Stephenson National Bank & Trust	1	\$149,985
32. The First National Bank of Negaunee	6	\$721,000	90. First National Bank of Iron Mountain	1	\$130,000
33. GE Capital Small Bus. Fin. Corp.	5	\$4,943,500	91. Clarkston State Bank	1	\$100,000
34. Community Bank South	5	\$4,369,000	92. Chelsea State Bank	1	\$75,000
35. Bank of Washtenaw	5	\$1,553,000	93. Michigan Heritage Bank	1	\$75,000
36. Sky Bank	5	\$1,268,200	94. Bay Bank	1	\$60,000
37. Monroe Bank & Trust	5	\$620,000	95. Banco Popular De Puerto Rico	1	\$10,000
38. The Honor State Bank	5	\$449,400			
39. 1 <sup>st</sup> Source Bank	5	\$345,000	<b>TOTAL</b>	<b>1,905</b>	<b>\$402,545,556</b>
40. Huron Community Bank	5	\$317,000			
41. Central State Bancorp, Inc.	5	\$101,000			
42. United Midwest Savings Bank	4	\$2,962,900			
43. Community Shores Bank	4	\$962,000			
44. First Independence National Bank	4	\$950,000			
45. The State Bank	4	\$385,000			
46. TCF National Bank	4	\$110,000			
47. Heartland Business Bank	3	\$1,263,000			
48. Independent Bank	3	\$915,000			
49. Summit Community Bank	3	\$508,500			
50. Community Central Bank	3	\$251,000			
51. Grand Bank	3	\$242,000			
52. Keweenaw Financial Corp.	3	\$155,000			
53. ChoiceOne Bank	2	\$1,880,000			
54. Tri-County Bank	2	\$1,800,000			
55. MFB Financial	2	\$1,725,000			
56. Branch Banking and Trust Company	2	\$1,650,000			
57. West Michigan Community Bank	2	\$1,505,000			
58. The First National Bank of St. Ignace	2	\$872,000			

## 504 Loan Activity by CDC

CDC	LOANS	AMOUNT
1. Economic Dev. Foundation-Certified	41	\$20,876,000
2. SEM Resource Capital	28	\$14,376,000
3. Michigan Certified Development Corp.	27	\$12,736,000
4. Oakland County Business Fin. Corp.	21	\$9,252,000
5. Lakeshore 504	11	\$3,626,000
6. Growth Finance Corp.	9	\$2,963,000
7. Metropolitan Growth and Dev. Corp.	8	\$3,140,000
<b>TOTAL</b>	<b>145</b>	<b>\$66,969,000</b>

# Loan Activity By City

The Michigan District Office guaranteed 7(a) and 504 loans to businesses in 414 Michigan cities. Cities with four or more loans are listed here.

CITY	LOANS	AMOUNT	CITY	LOANS	AMOUNT	CITY	LOANS	AMOUNT
1. Detroit	101	\$27,025,400	61. Rockford	8	\$1,197,000	121. Interlochen	4	\$975,000
2. Grand Rapids	95	\$26,003,610	62. Southgate	8	\$4,343,900	122. Iron Mountain	4	\$333,000
3. Muskegon	50	\$11,614,975	63. Allegan	7	\$2,328,800	123. Lapeer	4	\$525,200
4. Holland	43	\$6,418,800	64. Bay City	7	\$868,600	124. Lexington	4	\$360,000
5. Traverse City	43	\$12,816,400	65. Big Rapids	7	\$2,299,000	125. Manistee	4	\$620,000
6. Ann Arbor	42	\$14,750,765	66. Byron Center	7	\$3,134,500	126. Manistique	4	\$1,225,000
7. Kalamazoo	42	\$10,431,100	67. Center Line	7	\$1,646,700	127. Melvindale	4	\$1,761,800
8. Lansing	36	\$4,443,000	68. Flushing	7	\$1,644,500	128. Memphis	4	\$570,200
9. Flint	30	\$7,428,000	69. Hudsonville	7	\$2,360,000	129. Michigan Center	4	\$591,900
10. Southfield	26	\$4,951,800	70. Lincoln Park	7	\$2,415,900	130. Milford	4	\$909,000
11. Dearborn	25	\$7,970,500	71. Ludington	7	\$1,688,600	131. Montague	4	\$145,800
12. Saginaw	24	\$5,688,000	72. North Muskegon	7	\$1,293,000	132. New Baltimore	4	\$400,900
13. Warren	23	\$4,781,000	73. South Lyon	7	\$838,400	133. Norton Shores	4	\$1,536,000
14. Livonia	22	\$4,116,600	74. Spring Lake	7	\$849,600	134. Nunica	4	\$509,800
15. Sterling Heights	21	\$3,704,000	75. Utica	7	\$1,195,000	135. Owosso	4	\$918,000
16. Troy	21	\$6,325,219	76. Wixom	7	\$3,883,200	136. Oxford	4	\$358,100
17. Waterford	20	\$2,822,100	77. Wyandotte	7	\$1,055,000	137. Paw Paw	4	\$428,000
18. Wyoming	20	\$8,325,097	78. Ypsilanti	7	\$742,000	138. Pinckney	4	\$595,000
19. Farmington Hills	19	\$5,821,200	79. Bloomfield Hills	6	\$435,000	139. Pinconning	4	\$620,464
20. Portage	19	\$3,935,116	80. Lowell	6	\$861,000	140. Plainwell	4	\$475,000
21. Battle Creek	18	\$4,203,800	81. Middleville	6	\$556,100	141. Portland	4	\$1,742,000
22. Howell	18	\$3,788,500	82. Oak Park	6	\$774,000	142. Quincy	4	\$868,000
23. Fenton	16	\$5,244,300	83. Roseville	6	\$2,506,100	143. Richland	4	\$490,000
24. Coldwater	15	\$1,989,200	84. Sault Ste. Marie	6	\$1,158,400	144. Riverview	4	\$610,000
25. Rochester	15	\$2,240,100	85. Stevensville	6	\$790,000	145. Roscommon	4	\$1,121,300
26. Saint Clair Shores	15	\$4,026,500	86. West Bloomfield	6	\$1,527,000	146. Saline	4	\$1,778,000
27. Grand Blanc	14	\$7,338,070	87. Birmingham	5	\$985,000	147. Shelby Twp.	4	\$2,312,800
28. Allen Park	13	\$2,868,200	88. De Witt	5	\$210,000	148. Sheridan	4	\$364,300
29. Brighton	12	\$3,755,700	89. Eastpointe	5	\$2,490,000	149. Three Rivers	4	\$3,115,000
30. Jenison	12	\$1,969,500	90. Garden City	5	\$1,184,500	150. Trenton	4	\$120,000
31. Midland	12	\$1,330,300	91. Holt	5	\$425,600	151. Walker	4	\$994,000
32. Pontiac	12	\$3,417,900	92. Jonesville	5	\$1,673,000	152. Waltz	4	\$1,770,800
33. Royal Oak	12	\$920,200	93. Marshall	5	\$1,051,100	153. Washington	4	\$750,000
34. Taylor	12	\$2,286,000	94. Mason	5	\$1,065,000			
35. Walled Lake	12	\$986,500	95. Mount Clemens	5	\$1,645,000	<b>TOTAL</b>	<b>2,050</b>	<b>\$469,514,556</b>
36. Westland	12	\$2,354,000	96. Northville	5	\$572,700			
37. Zeeland	12	\$2,311,700	97. Saint Joseph	5	\$553,500			
38. Belleville	11	\$2,298,100	98. South Haven	5	\$553,000			
39. Port Huron	11	\$1,221,600	99. Temperance	5	\$1,142,300			
40. Redford Twp.	10	\$1,826,000	100. Wayland	5	\$1,382,500			
41. Canton	10	\$2,642,500	101. Wayne	5	\$700,000			
42. Clinton Twp.	10	\$1,672,700	102. Adrian	4	\$866,000			
43. Davison	10	\$2,802,000	103. Allendale	4	\$1,882,000			
44. Farmington	10	\$1,248,400	104. Alma	4	\$404,000			
45. Grand Haven	10	\$1,708,250	105. Alpena	4	\$368,000			
46. Grandville	10	\$5,494,400	106. Alto	4	\$587,700			
47. Jackson	10	\$1,972,874	107. Au Gres	4	\$399,850			
48. Novi	10	\$2,217,300	108. Auburn Hills	4	\$442,500			
49. Plymouth	10	\$1,911,000	109. Benton Harbor	4	\$275,000			
50. Berkley	9	\$2,918,700	110. Beverly Hills	4	\$248,700			
51. Commerce Twp.	9	\$1,821,200	111. Birch Run	4	\$465,000			
52. Kentwood	9	\$2,542,800	112. Brownstown	4	\$601,000			
53. Lake Orion	9	\$1,372,100	113. Caro	4	\$439,000			
54. Monroe	9	\$736,200	114. Charlotte	4	\$60,000			
55. Clarkston	8	\$700,000	115. Chesaning	4	\$428,700			
56. Ferndale	8	\$1,857,500	116. Greenville	4	\$442,000			
57. Macomb	8	\$4,662,000	117. Grosse Ile	4	\$525,500			
58. Madison Heights	8	\$2,010,500	118. Harrison Twp.	4	\$175,000			
59. Marquette	8	\$366,000	119. Highland	4	\$544,000			
60. Okemos	8	\$967,000	120. Holly	4	\$1,355,600			

# Loan Activity By County

COUNTY	LOANS	AMOUNT	COUNTY	LOANS	AMOUNT
1. Wayne	307	\$79,591,400	51. Alger	5	\$430,600
2. Oakland	306	\$63,716,612	52. Cass	5	\$644,200
3. Kent	177	\$52,870,107	53. Clare	5	\$405,000
4. Macomb	135	\$34,813,200	54. Gladwin	5	\$757,400
5. Ottawa	100	\$18,922,150	55. Kalkaska	5	\$788,400
6. Genesee	89	\$28,891,370	56. Newaygo	5	\$985,000
7. Muskegon	74	\$16,398,775	57. Wexford	5	\$1,999,500
8. Kalamazoo	71	\$15,829,216	58. Alpena	4	\$368,000
9. Washtenaw	61	\$18,995,265	59. Delta	4	\$995,000
10. Ingham	58	\$7,980,100	60. Iosco	4	\$427,000
11. Grand Traverse	53	\$15,421,800	61. Mackinac	4	\$1,109,900
12. Livingston	42	\$10,421,800	62. Schoolcraft	4	\$1,225,000
13. Saginaw	39	\$8,614,700	63. Menominee	3	\$259,985
14. Saint Clair	32	\$6,095,600	64. Oceana	3	\$2,107,000
15. Allegan	29	\$5,766,100	65. Ogemaw	3	\$880,000
16. Calhoun	29	\$5,531,700	66. Otsego	3	\$195,000
17. Berrien	24	\$2,878,600	67. Alcona	2	\$171,000
18. Branch	19	\$2,857,200	68. Crawford	2	\$459,200
19. Monroe	19	\$3,396,500	69. Gogebic	2	\$90,000
20. Jackson	18	\$3,700,774	70. Keweenaw	2	\$86,000
21. Van Buren	18	\$2,197,200	71. Leelanau	2	\$1,079,000
22. Eaton	15	\$1,989,000	72. Luce	2	\$400,000
23. Bay	14	\$1,866,064	73. Ontonagon	2	\$720,000
24. Lapeer	14	\$1,281,200	74. Osceola	2	\$761,100
25. Clinton	13	\$943,500	75. Oscoda	2	\$834,000
26. Midland	13	\$1,732,800	76. Huron	1	\$2,000,000
27. Montcalm	13	\$1,340,700	77. Iron	1	\$100,000
28. Ionia	12	\$2,387,700	78. Lake	1	\$78,000
29. Hillsdale	10	\$1,830,000	79. Montmorency	1	\$234,000
30. Lenawee	10	\$1,766,000			
31. Marquette	10	\$541,000	<b>TOTAL</b>	<b>2,050</b>	<b>\$469,514,556</b>
32. Barry	9	\$739,500			
33. Charlevoix	9	\$2,012,800			
34. Gratiot	9	\$1,013,600			
35. Mason	9	\$1,788,600			
36. Saint Joseph	9	\$5,584,000			
37. Mecosta	8	\$2,324,000			
38. Shiawassee	8	\$1,183,000			
39. Tuscola	8	\$630,900			
40. Arenac	7	\$634,850			
41. Houghton	7	\$1,006,000			
42. Benzie	6	\$126,000			
43. Cheboygan	6	\$2,454,200			
44. Chippewa	6	\$1,158,400			
45. Dickinson	6	\$1,465,300			
46. Emmet	6	\$1,416,200			
47. Isabella	6	\$1,718,188			
48. Manistee	6	\$865,800			
49. Roscommon	6	\$1,556,300			
50. Sanilac	6	\$680,000			

# Michigan District Office Services

## GENERAL INFORMATION

**SBA's Michigan Small Business Sourcebook:** provides specific information on all of SBA's programs and services, including every location for all of our resource partners. It is available by calling (313) 226-6075 or e-mailing: michigan@sba.gov.

## TRAINING

**Lender Training:** SBA offers training for lenders on SBA programs and services at various locations across the state. Call (313) 226-6075 x221 for information. Specialized training is also available on the Export Working Capital Program and International Trade Loan Program. Please call (313) 226-3670 for information.

**Small Business Loan Workshop:** This loan information seminar is held quarterly in Detroit and periodically in other cities across the state. Topics include elements of a winning loan proposal, lending from a banker's perspective, and SBA's loan programs. Call (313) 226-6075 x221 for more information.

**8(a), SDB, and HUBZone Orientation:** These orientations are held the 1st Wednesday of each month at the McNamara Federal Building in Detroit. Individuals are provided with an overview of these programs and an application packet. Please call (313) 226-6075 x253 for more information.

**Online Classroom:** Through public-private partnerships, SBA offers a variety of online courses at <http://www.sba.gov/training>. Topics include business plans, financing issues, government contracting, and e-commerce.

## SPEAKERS

SBA staff are available to speak to your organization on a variety of topics relating to small business. Call (313) 226-6075 x221 for information.

## NEWSLETTERS

**Small Business Beat:** This newsletter informs all small business service providers of up-to-date information on SBA, including events, seminars, resources, and program updates. Call (313) 226-6075 x225 to be added to our e-mail distribution list.

**Bank Notes:** This newsletter keeps lenders apprised of upcoming events and new policies and regulations regarding SBA's loan programs. Call (313) 226-6075 x237 to be added to our e-mail distribution list.

## EXHIBITS

SBA is available to exhibit at trade shows, business expos, or any other function. Please call (313) 226-6075 x221 for more information.

## INTERNET

**SBA Web Page:** The SBA has an excellent Web site which includes detailed information on our programs and services, links to other small business resources, and a small business classroom. SBA's home page is <http://www.sba.gov>.

**Online Women's Business Center:** This is an excellent site for all entrepreneurs with practical advice, tips and general information on a variety of topics including, marketing, management, finance, and technology. Visit it at <http://www.onlinewbc.gov>.

**Michigan Small Business and Technology Development Centers:** Small business owners will want to bookmark this resource which offers a readiness assessment, business tools, calendar of events, on-line counseling and much more at <http://www.misbtcd.org>.

**SCORE:** The National SCORE organization provides information and e-mail counseling at <http://www.score.org>. The Michigan chapters host a Web page at <http://www.scoremichigan.org>.

**Business.gov:** This home page is the One-Stop Electronic link to government for business owners. It provides links for all information and services the federal government offers to help businesses grow and prosper. It also offers state specific links to information on how to incorporate, pay taxes, hire and fire employees, and other legal questions. Visit it at <http://www.business.gov>.

# Michigan District Office Staff

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# How Many Jobs Did Small Businesses Create in Michigan?



Michigan businesses with less than 100 employees in 2000 had a net *increase* of 4,803 in their employment one year later. Businesses with more than 100 employees had a net *decrease* of 68,178. During a year of significant economic retrenchment, the smallest employers, those with less than 10 employees, were still able to create jobs while larger businesses lost jobs. From 1991 to 2001, businesses that had 1-4 or 5-9 employees were the only groups that added new jobs every year.

## Job Creation By Firm Size 2000-2001

Number of Employees in 2000	Jobs these Firms Created by 2001
1-4 employees	21,722
5-9 employees	6,812
10-19 employees	(6,274)
20-99 employees	(17,457)
less than 100 employees	4,803
100-499 employees	(15,444)
500+ employees	(52,734)
<b>Total net new jobs</b>	<b>(63,375)</b>

Source: SBA Office of Advocacy

This publication was created by the Michigan District Office of the U.S. Small Business Administration. For a copy of this report in .PDF format, please call (313) 226-6075 x225 or by email [annette.hall@sba.gov](mailto:annette.hall@sba.gov).  
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