



U.S. Small Business
Administration

Powering the American Dream

**Helping Small Businesses to Start, Grow, Expand and Recover and making sure that
there is equity and opportunity for all small businesses.**

Massachusetts District Office
10 Causeway St. Suite 265
Boston, MA02222

Our Mission: Supporting small businesses for 70 years



Plan
your business



Launch
your business



Manage
your business



Grow
your business

The **U.S. Small Business Administration** makes the American dream of business ownership a reality.

We **empower entrepreneurs** and small business owners with the **resources and support** they need to **start and grow** their businesses and **help with recovery** nationwide after a disaster.

Created in 1953, the SBA is the **only go-to resource and voice** for small businesses backed by the strength of the **federal government**.

Small Business Contributions

- Small businesses comprise:
 - 99.9% of all firms
 - 99.7% of firms with paid employees
 - 97.3% of exporters (264,366 businesses)
 - 46.4% of private sector workforce (61.7 million workers)
 - 43.5% of gross domestic product
 - 39.7% of private sector payroll (\$2.9 trillion)
 - 35.6% of private sector receipts (\$13.3 trillion)
 - 32.6% of known export value (\$413.3 billion)

Small Business Economic Update

Table 2. Net Change from March 2020 to March 2021

	Establishments	Employment
<500 employees	193,157	-2,992,757
500+ employees	-12,629	-2,478,991

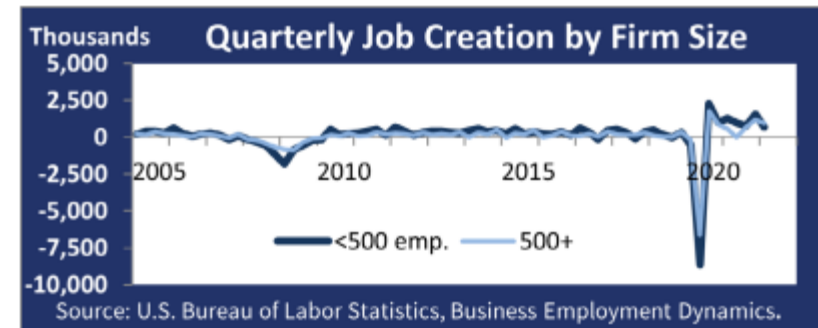
Source: BED, author's calculations.



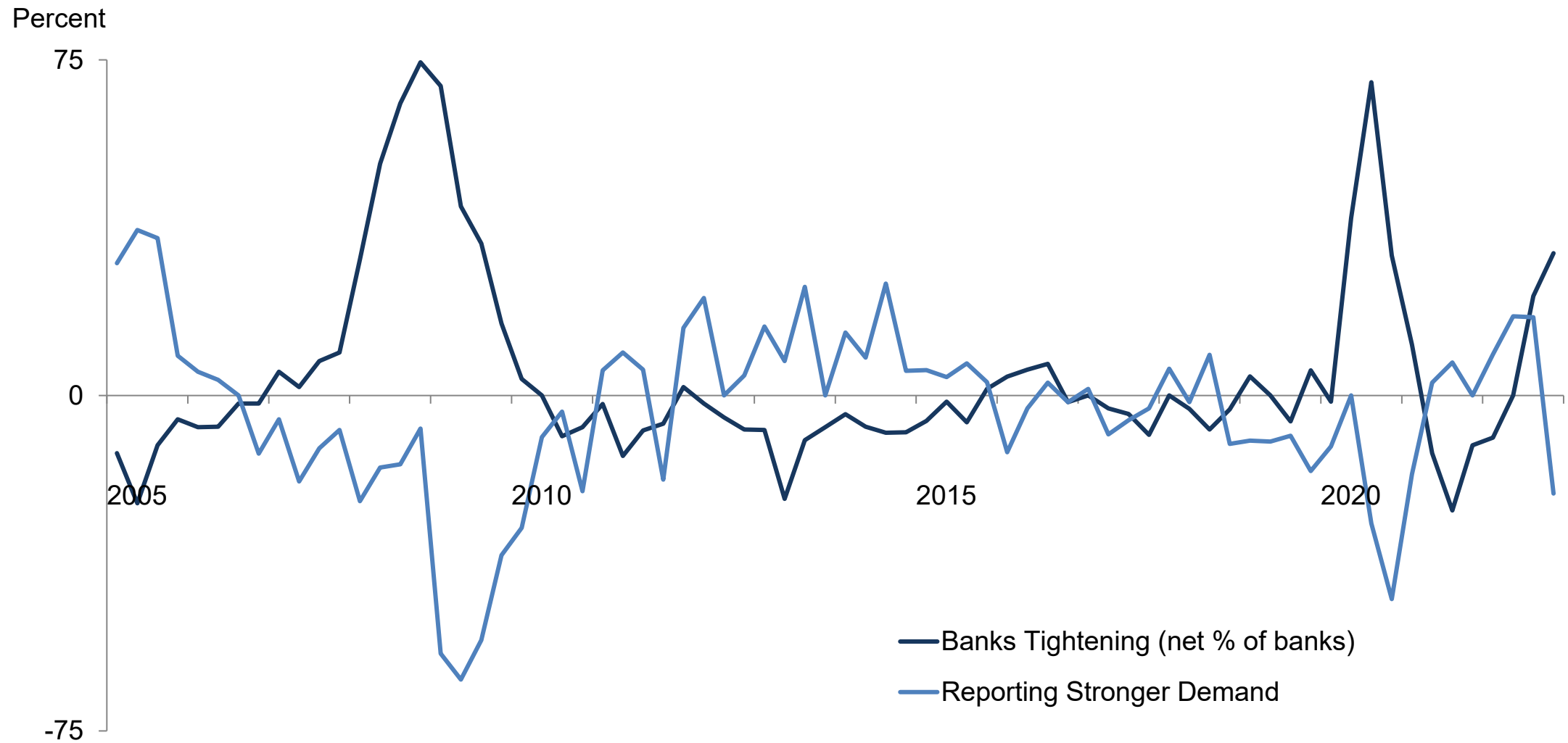
Table 3. Survey Responses on Overall Effect of COVID-19 on Business (Percentage of Total Responses)

	Apr-20	Mar-21	Mar-22
Large negative effect	51.4	27.6	21.5
Moderate negative effect	38.5	44.6	43.9
Little or no effect	7.6	20.2	25.6
Moderate positive effect	1.7	5.9	6.9
Large positive effect	0.8	1.7	2

Source: SBPS

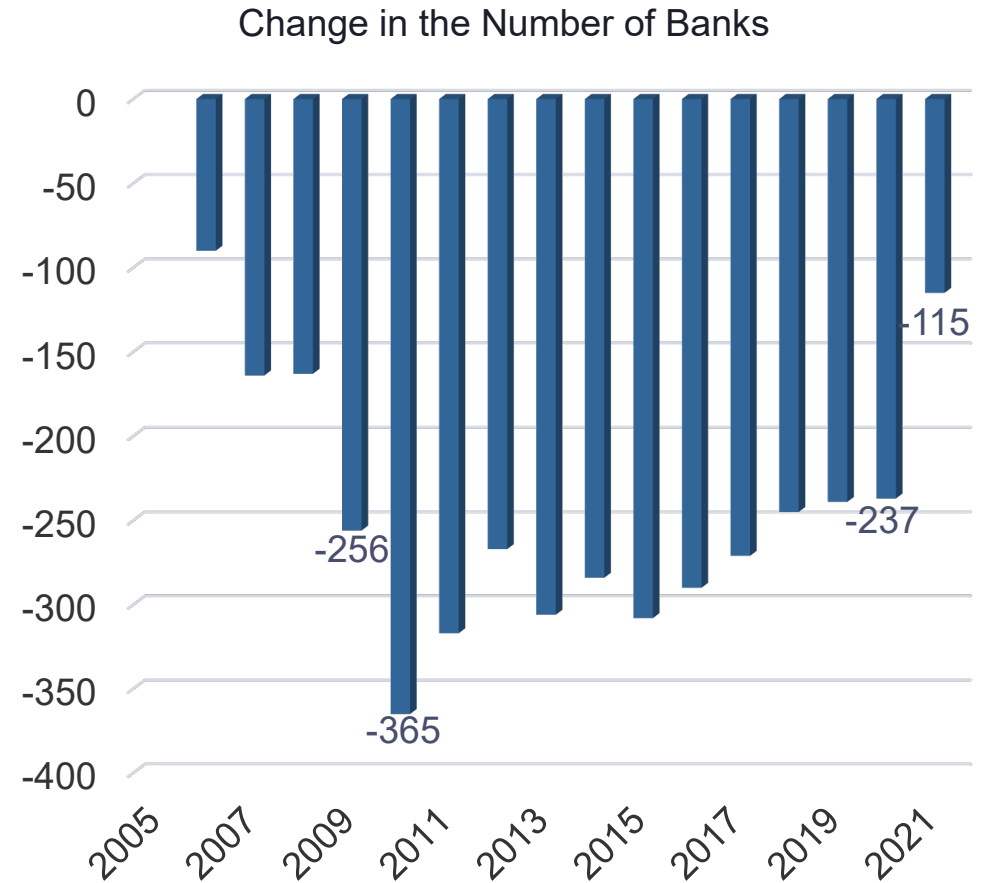
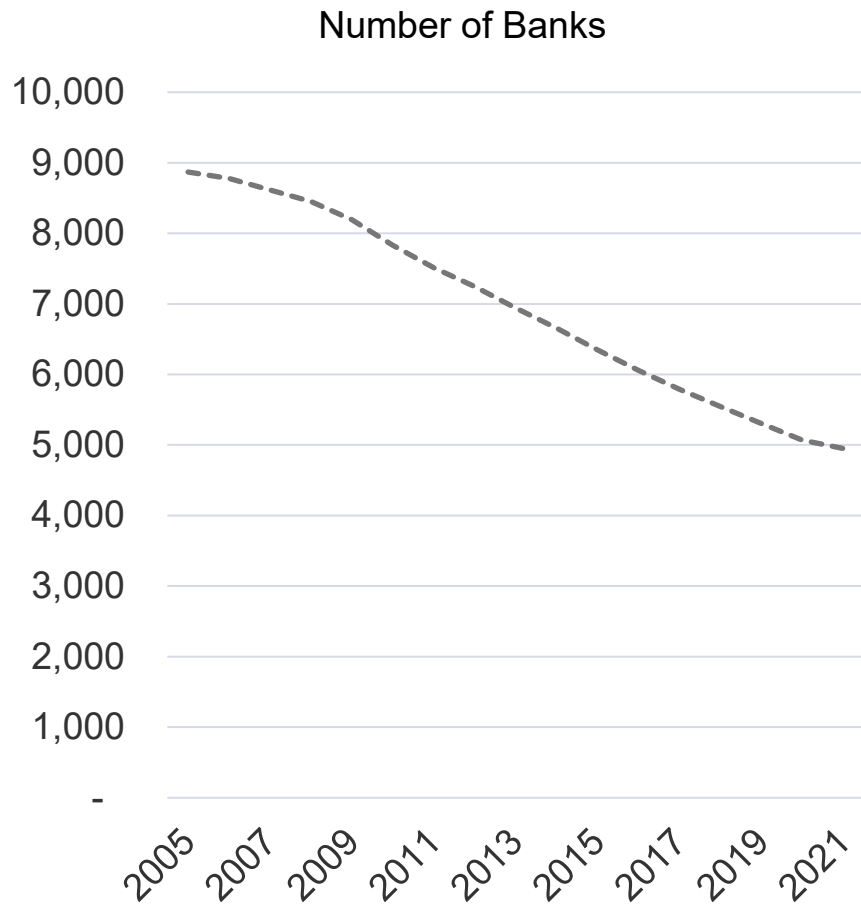


Small Business Loan Supply and Demand



Source: Fedl. Reserve Board of Governors, Senior Loan Opinion Survey.

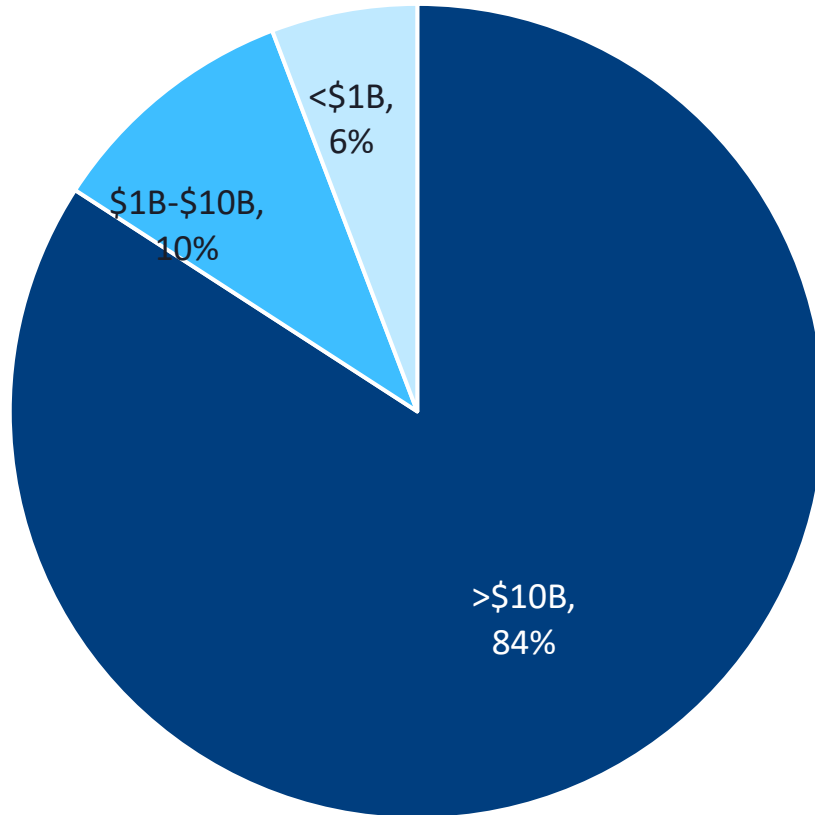
Trends in Reporting Banks, 2005 – 2021



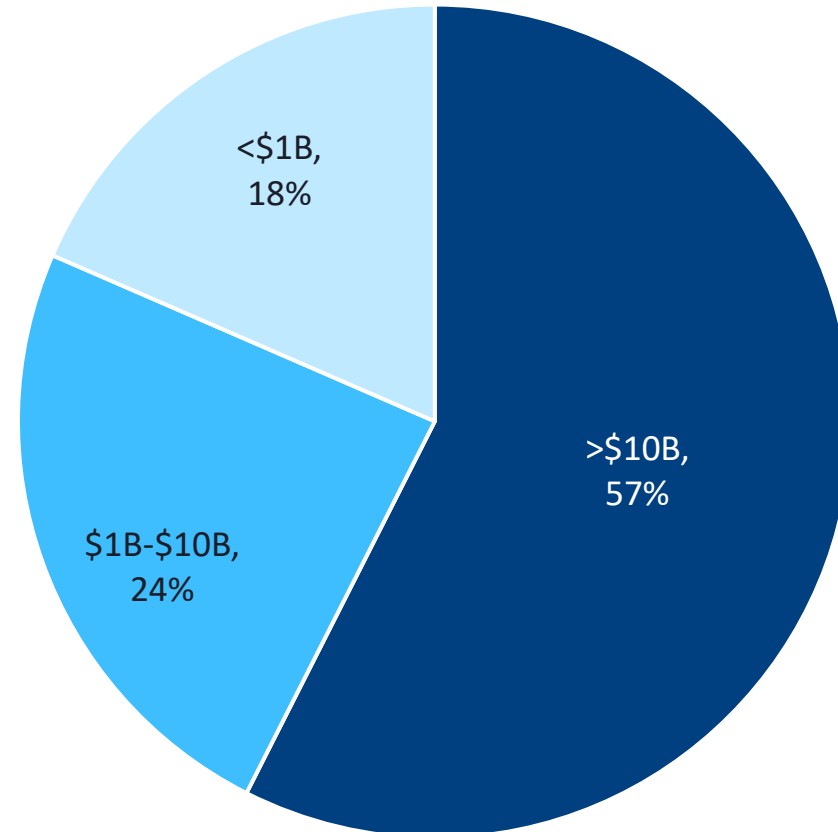
Source: FDIC Call Reports

Bank Assets and Small Business Loans by Size of Bank

Share of Bank Assets



Share of Small Business Loan



Source: FDIC Call Reports, June 2020

SMALL BUSINESS STARTS and Economy

- Rapid pace of new business applications for the past year continues positive trend and is now second only to the record set in 2021.
- Since the start of the Biden Harris Administration, **small business applications reached a high of 10.5 million**, the most in any two years in our nation's history.
- This report is better news for our economy, with steady and stable growth, as well as unprecedented investments in infrastructure, manufacturing, and R&D, bringing abundant opportunities for America's entrepreneurs.

How We Help: **Four areas supporting success**

The SBA is the **go-to resource** for access to capital, valuable resources, business know-how, and the right expertise for every **Small Business** at every stage of their business lifecycle.



Free business counseling



SBA guaranteed business loans



Home & business disaster loans



Federal government contracting

Disaster - Capital Support – Recovery Programs

- Through all of the various Covid Relief programs, small businesses in the Commonwealth received close to \$30 Billion in capital support through PPP loans, EIDL loans, SVOG's and RRF's. Across the US, SBA helped to deliver close to \$1 trillion in capital support. MA Disaster Declaration was approved by SBA on 3/18/2020 – 3 years ago.

Massachusetts Covid Recovery Program Approvals			
Program	Approvals #	Approvals \$	Forgiven
PPP	217363	\$ 21,238,532,799.00	\$ 20,492,829,813.00
RRF	2552	\$ 995,071,283.00	
SVOG	331	\$ 406,973,239.00	
EIDL	69157	\$ 9,680,893,578.00	
EIDL Advance Grants	99011	\$ 399,080,960.00	
Total All		\$32,720,551,859.00	

Overview of COVID EIDL Program

- Over \$390 billion in direct working capital loans to 3.9 million small businesses and nonprofits nationwide
- Businesses benefited from:
 - increased maximum funding amount,
 - extended deferment period,
 - broadened use of funds to include paying down debt
- At peak, processed \$1 billion and 50,000 applications per day
 - Prior to the pandemic, SBA averaged tens of thousands of loans each year
- Average loan size was under \$100K; 90% of loans went to small businesses of 10 employees or fewer

For information on other SBA lending programs connect with your local SBA Field Office

Loan Repayment

- Your COVID Economic Injury Disaster Loan (COVID EIDL) is a loan that must be repaid.
 - It cannot be forgiven.
 - It is not a grant.
- Your payments were deferred for 30 months. Monthly payments are calculated from your original Note date.
- Interest accrued during the deferment period.
- You are responsible for making monthly payments until the loan balance is paid in full. If you did not make full payments through the entire 30-month deferment period, there will be a one-time balloon payment at the end of the loan term.
- No penalty for pre-payment.
- Avoid loan default – reported to credit bureaus, tax refunds can be garnished, loan may be taxed as income, may prevent you from receiving additional government assistance and affect your ability to borrow in the future.

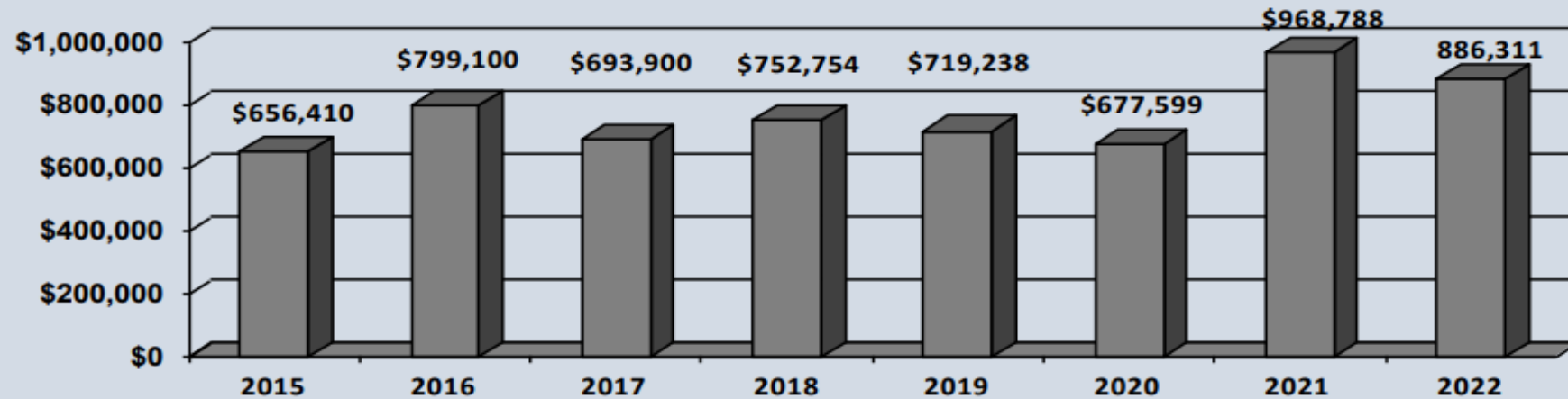
Hardship feature - new

- Important things to remember. If a small business requests relief for hardship in making payments, the monthly payment can be as low as 10% of the regular monthly payment.
- Interest continues to accrue on 100% of the debt during the hardship period of 6 months.
- Hardship button will be in borrowers portal account if eligible (loans under \$200K).
- If a hardship is needed for a loan over \$200K, the request will need to be made to the servicing center.

State Capital Access: \$ 888 million

(Est.: 7(a), 504 & microloans)

Total 7a and 504 Dollars (millions): FY15—FY22



1,125
7A Loans

338
504 Loans

338
3rd Party Loans

85
Microloans

\$326.6
Million

\$245
Million

\$314.7
Million

\$1.4
Million

MADistrict Office Loan Activity (As of January 31, 2023)

7a Loan Activity

FISCAL YEAR	APPROVED LOANS	APPROVED DOLLARS
2023	401	\$132,409,300
2022	283	\$83,676,000

YOY Change APPROVED LOANS	YOY CHANGE APPROVED \$\$
41.69%	58.24%

504 Loan Activity

FISCAL YEAR	APPROVED LOANS	APPROVED DOLLARS
2023	64	\$50,550,000
2022	132	\$87,415,000

YOY Change APPROVED LOANS	YOY CHANGE APPROVED \$\$
-51.51%	-42.17%

3rd Party Loan Activity

FISCAL YEAR	APPROVED LOANS	APPROVED DOLLARS
2023	64	\$70,789,773
2022	132	\$106,229,169

YOY Change APPROVED LOANS	YOY CHANGE APPROVED \$\$
-51.51%	-33.36%

MADistrict Office Loan Activity (As of January 31, 2023)

Microloan Activity

FISCAL YEAR	APPROVED LOANS	APPROVED DOLLARS
2023	32	\$766,744
2022	22	\$326,500

YOY Change APPROVED LOANS	YOY CHANGE APPROVED \$\$
45.45%	135%

7a Loans (\$500k or less)

FISCAL YEAR	APPROVED LOANS	APPROVED DOLLARS
2023	351	\$45,962,800
2022	249	\$33,973,500

YOY Change APPROVED LOANS	YOY CHANGE APPROVED \$\$
40.96%	35.29%

No SBA upfront or lender fees on SBA 7a guaranteed loans under \$500K for FY2023 !!

Most Recent 504 Rates – Below Market Rates with the help of the 504 program.

Traditional 504 Rates *

25 Year rate: 6.21% (February)

20 Year rate: 6.12% (February)

10 Year rate: 6.31% (January)

Refinance 504 Rates *

25 Year rate: 6.22% (February)

20 Year rate: 6.14% (February)

10 Year rate: 6.32% (January)

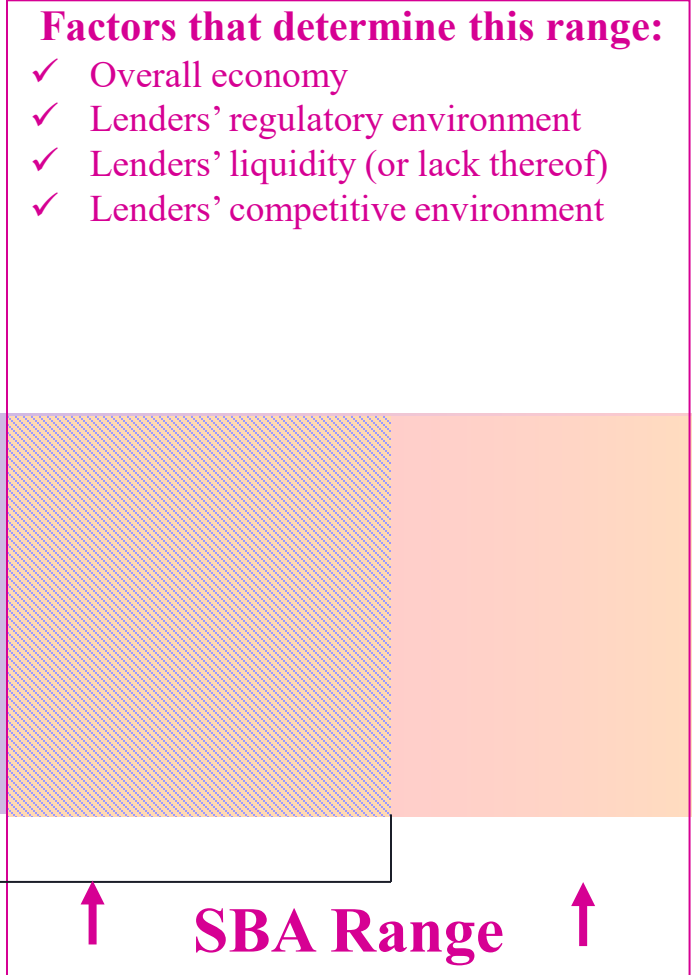
*Above rates are the all-in rates, which are calculated by adding the note rate and servicing fees.

When Do Lenders Use the SBA Guaranty

- New Ownership/Business Acquisition
- Start-up or certain types of businesses
- Collateral may be inadequate to meet normal underwriting
- Longer maturities are needed
- Mitigate risk exposure
- Lender's legal or policy limit
- Business leverage
- Business Expansion
- Projections based cash flow



Role of SBA's Guaranty



Most Viable Business Profile

- ✓ Experienced management
- ✓ High Debt Service Cash flow
- ✓ Sterling credit
- ✓ Generous collateral
- ✓ Sound business idea
- ✓ Financial reserve

Least Viable Business Profile

- ✓ No management experience
- ✓ No repayment ability
- ✓ Impractical business idea
- ✓ No financial reserves
- ✓ No equity investment

↑ **Lender's Comfort Range** ↑

↑ **SBA Range** ↑

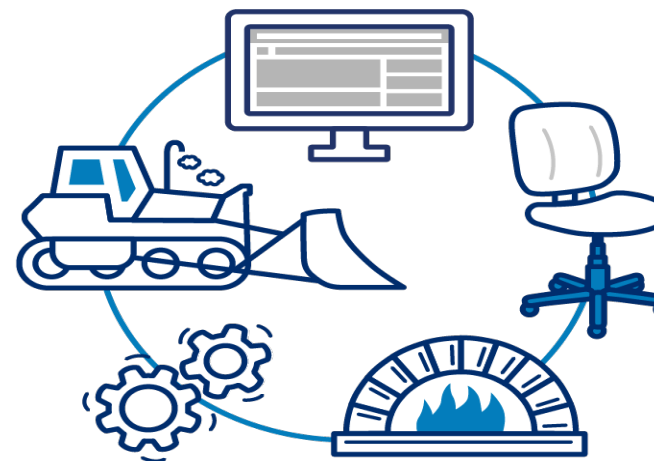
↑ **"No Go" Range** ↑

Lenders are comfortable making loans without SBA's Guaranty

How Can an SBA-backed Loan Help You?



- Launch, grow, or repair a start-up
- Start or purchase a small business
- Access revolving credit or working capital for day-to-day expenses



- Purchase, renovate, or expand facilities
- Purchase inventory, equipment, or machinery
- Purchase land or real estate
- Export a product or service

SBA7(a) Fee Incentive for FY2023

Demand for SBA7(a) Loans is on the rise

- For all 7(a) loans \$500,000 or less = **Zero Upfront and Zero Annual Service Fee**;
- Permanent Change for SBAExpress Loan Program:
 - SBA Exposure was increased to \$500,000
 - For all SBAExpress loans made to veteran-owned small businesses, the upfront guaranty fee will be zero in accordance with section 7(a)(31)(G) of the Small Business Act (15 U.S.C. § 636(a)(31)(G)).

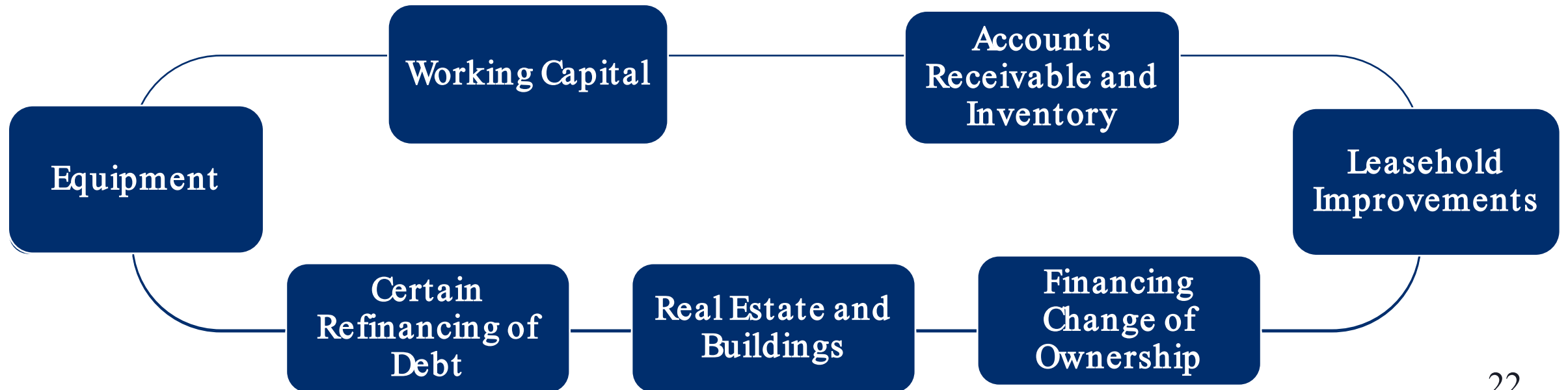
Traditional SBA Loan Products

7(a)

SBA provides a guarantee of select small business loans made by participating lenders

504

Supports job creation and economic development through guaranteed debentures



How Can an SBA-backed Loan Help You?

- 50%-90% SBA Guaranty available depending on program and loan amount
- Allows lender to provide otherwise unavailable financing in a responsible manner
- Guaranty reduces risk associated with
 - Unproven earnings/start up businesses
 - Inadequate collateral
 - Limited capital/business leverage
 - Extended loan maturity
 - Industry considerations
- Access to capital when a lender is not able to make a direct loan
- Improved lending terms:
Interest rates and maturity terms/no balloon/demand payments(except Lines of Credit)
- Ability to refinance debt to improve cash flows
- The ability to include 7(a) Guaranty Fees and other fees in the loan amount; avoids out of pocket financing expenses which helps conserve cash

Massachusetts District



Massachusetts District



Services we provide

Our office provides help with SBA services including funding programs, counseling, federal contracting certifications, and disaster recovery. We can also connect you to our partner organizations, lenders, and other community groups that help small businesses succeed.

Areas we serve

The Massachusetts District Office services the entire state of Massachusetts. We have offices in Boston and Springfield.

Office locations

Need assistance? [Send us a message](#)



Boston - Main office
30 Causeway St., Room 265
Boston, MA 02222
[View Map](#) #
Phone: [617-505-5390](tel:617-505-5390)

Hours of operation: Monday through Friday, from 8:00 a.m. to 4:30 p.m. Closed on all federal holidays.

Serving Worcester, Middlesex, Essex, Suffolk, Norfolk, Dukes, Plymouth, Barnstable, and Nantucket counties.



Springfield
1 Federal St., Building 101-R
Springfield, MA 01105
[View Map](#) #
Phone: [413-785-0484](tel:413-785-0484)

Hours of operation: Monday through Friday, from 8:00 a.m. to 4:30 p.m. Closed on all federal holidays.

Serving Berkshire, Franklin, Hampden, and Hampshire counties.



Doing business in our area

Learn how to register your business, access state and federal resources, and find lenders in our area.

[See our guide](#)

Upcoming events

JAN 13 **How's Your Social IQ?**
12:00 - 1:00 p.m. EST
Online

Rob Skutman, SCORE Boston Subject Matter Expert, will discuss the 6 major social media platforms. He will break each down into their elements, advertising abilities, use cases and benefits.

[Register \(1\)](#) Resource Partner event

JAN 17 **GET STARTED-Doing Business with the Federal Government**
10:00 - 12:00 a.m. EST
OnSite

The HOW TO for established small businesses to start doing business with the Federal Government!

[Register \(1\)](#) SBA event

[See more events](#)

News and updates

Sign up for our email alerts

Get updates with free small business tips, online training, and information on upcoming events in our area.

Email ZIP Code [Subscribe](#)

Latest updates

- [SBA January Calendar \(New Year, New Goals\) #](#) (January 6, 2022)
- [NEXT WEEK: Capital Matchmaker in Worcester Part 2 & Annual Meeting #](#) (December 8, 2021)
- [SBA December Calendar! LAST CALL for SBA Awards Submissions! #](#) (December 5, 2021)
- [WEDS 11:30: Celebrate Native American Heritage Month with the SBA! #](#) (November 23, 2021)
- [SBA November Newsletter \(COVID-19\) Borrowers to #](#) (November 17, 2021)

[View more](#)

Follow us on social media



Any District



Doing business in our area

Learn how to register your business, access state and federal resources, and find lenders in our area.

[See our guide](#)

Any District

SBA lending in our area



Loan programs

Learn more about SBA's 7(a) loans, 504 loans, and microloans that you can use for your business.

[Find a loan](#)



Local lenders

Download a list of participating lenders in our area.

[Download lender list](#)



Lender Match

Describe your business needs and get matched with an SBA-backed lender in your area.

[Get matched with a lender](#)



Lending activity reports

View 7(a) and 504 lending activity reports from our district.

[View lending reports](#)

Lender Match



Lender Match connects you to lenders

Get matched to potential lenders offering SBA-backed funding.

[FIND LENDERS](#)

New Platform for EIDL and PPP borrowers and more enhancements will follow. SBA is now managing a portfolio of 4,000,000 EIDL loans. [MySBA Loan Portal](#)

SBA U.S. Small Business Administration

Register for MySBA Sign In

MySBA Loan Portal

A portal where SBA borrowers can view loan details, make payments, and access statements for COVID-19 EIDL, disaster, or SBA-serviced 7(a) loans.

You can sign in with an existing CAFS and Veteran Certification accounts.

Register for MySBA Sign In



AMERICA'S SEED FUND

SBIR • STTR

POWERED BY



U.S. Small Business
Administration

SBIR/STTR Program Goals

Small Business Innovation Research (**SBIR**)

Small Business Technology Transfer (**STTR**)

- Meet federal **research and development** needs
- Increase private-sector **commercialization** of innovation derived from federal research and development funding
- Stimulate technological **innovation**
- Foster and encourage **participation** in innovation and entrepreneurship by women and socially/economically disadvantaged individuals
- Foster **technology transfer** through cooperative R&D between small businesses and research institutions (STTR)
- [Pub. Law 117-183](#)*

Business Assistance

19,711



- Mentoring and expertise from volunteer retired business executives
- Free online workshops and webinars



Center for
Women &
Enterprise

2,330

- Comprehensive training and counseling
- One-on-one legal and business consulting
- Opportunities for networking

7,211



- Free business consulting to get started or grow
- No or low-cost training



604

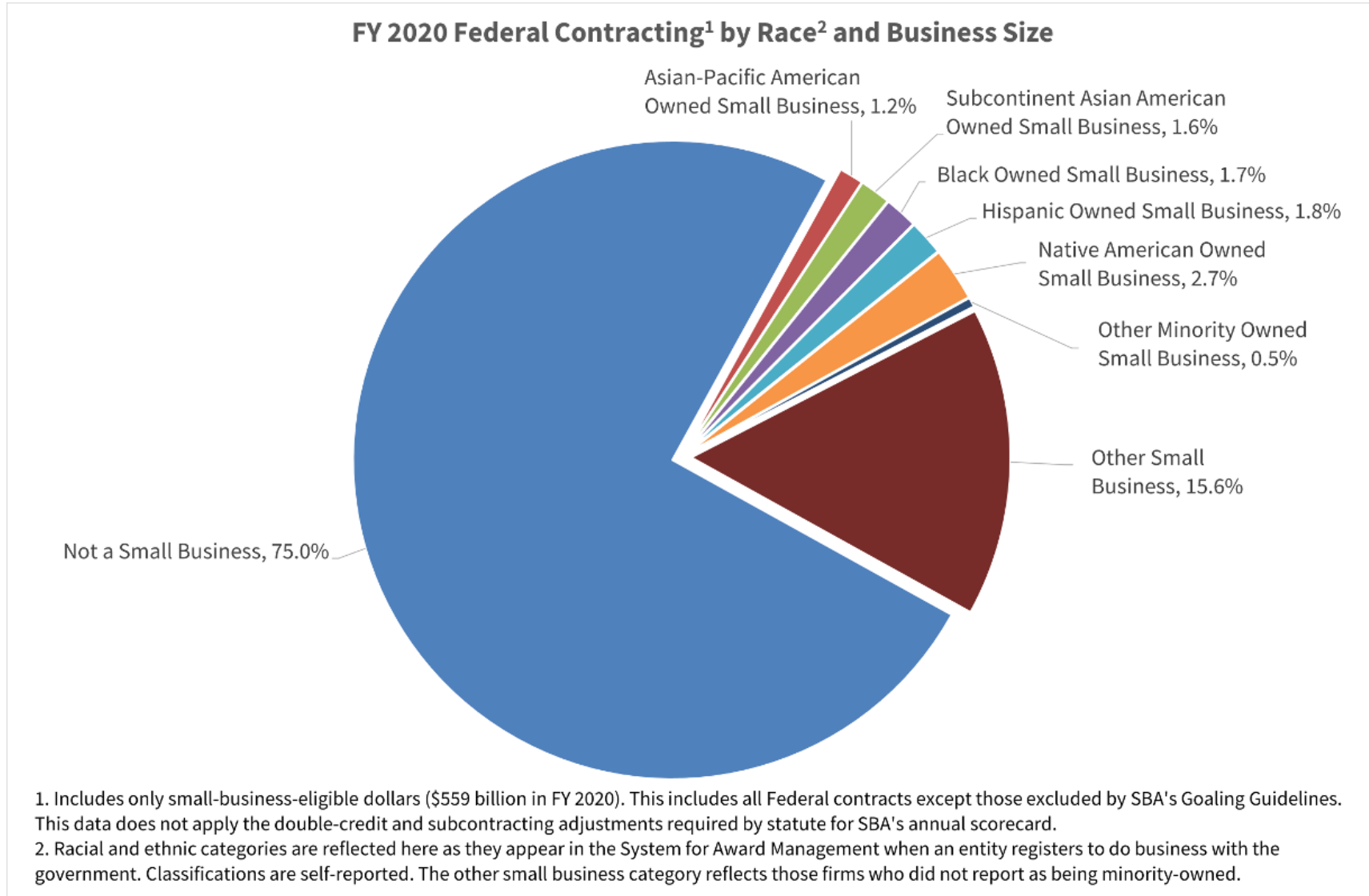
- Counseling or transition assistance
- Training and advice
- Resource referrals

OTHER RESOURCES:

- State/Local Business resources (Mass.gov)
- Community (COC, CDC, CNP)
- Industry organizations

SBA Disaggregated Data Release

[SBA.gov](https://www.sba.gov) – as discussed on [whitehouse.gov](https://www.whitehouse.gov) and analyzed by CEA



OMB Memorandum: Advancing Equity in Procurement

M-22-03, Dec. 2, 2021 – implementing Executive Order 13985

1. Raises governmentwide SDB contracting goal to 11% for FY22, on the way to 15% by 2025.
2. Implements major changes to Category Management.
 - A automatic Tier 2 credit for socioeconomic small businesses (SDB, WOSB, HUBZone, SDVOSB)
 - B.reinforced importance of small-business goal achievements
 - C.making SBA and Dept. of Commerce voting members on the Category Management Leadership Council.
3. Seeks to increase new entrants and reverse the decline in the small business supplier base.
4. Makes Federal senior managers accountable for small business contracting goals.
5. Ensures OSDDBUs have access to senior leadership

Further Advancing Racial Equity and Support

[Executive Order 14091](#) February 16, 2023

Additional Actions:

- OFPP Memo on SDB Strategies [Strategies for Meeting and Exceeding the Small Disadvantaged Business Goal](#)
- [Pub. Law 117-263](#) James M. Inhofe NDAA for FY23, Codifies SBA scorecard and adds set-aside data
- [M-23-01](#), Increasing the Share of Contracting Dollars Awarded to Small Disadvantaged Businesses
- [M-23-11](#), Creating a More Diverse and Resilient Federal Marketplace including Supplier Base Dashboard and Gov-wide Procurement Equity Tool

SBA Final Rule: Past Performance Ratings for JV members and Subcontractors

87 FR 43731

- Small business can use past performance from a joint venture, provided it worked on the joint venture's contracts
- Small business can use past performance from a first-tier subcontract to go after a prime contract
 - Subcontracting plans will direct primes to provide a rating to the small business within 15 days
 - The small business must make the request to the prime contractors no later than 30 days after the end of the period of performance of the contract with the government.

87 FR 58219 (Sept. 23, 2022) Policy on Joint Ventures

Additional Changes

Changes increase the # of SB's and supplier base

- Monetary-based size standards, including all used in government procurement and adjustment for inflation.
- [87 FR 34094](#), [88 FR 9970](#) Calculation of Employee-Based Size Standards
- [87 FR 59240](#) Adoption of 2022 NAICS for Size Standards
- [87 FR 69118](#) Inflation Adjustment for Size Standards (+13%)
- [87 FR 77529](#) Credit for Lower Tier Subcontracting
- [86 FR 44233](#) Limitations on Subcontracting
- [86 FR 44247](#) Scope of PCR Review
- [86 FR 44249](#) Good Faith in Small Business Subcontracting
- [86 FR 61038](#) Consolidation and Bundling

Government-Wide Contracting Goals

SB/SDB and other program contracts

WORLD'S
LARGEST
BUYER



- \$650 billion/year
- 23% federal contract dollars are intended for small businesses

01

Competitive

02

Small Business
Set-Asides

03

Sole Source

50%

Set-Aside for Certification Programs and Socio-Economic Categories

- *Legislative acquisition goals*

12%

Women-Owned Small Businesses
(including EDWOSB) (5%)

Small Disadvantaged Businesses
(including 8(a)) (5%)

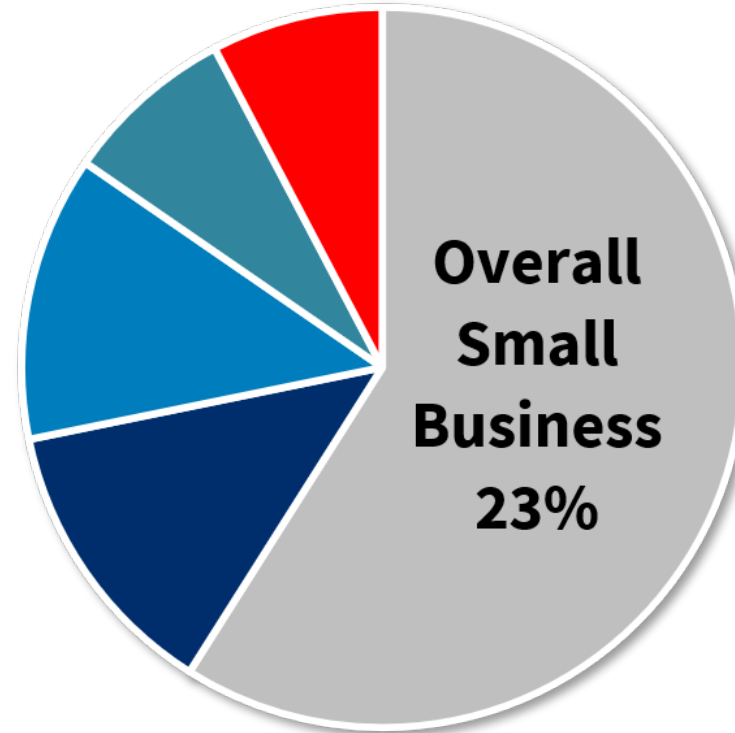
HUBZone Businesses (3%)

Service-Disabled Veteran-Owned
Small Businesses (3%)

Not Limited

Set-asides are reserved for small business between \$10,000 (Micro purchase Threshold) to \$250,000 (Simplified Acquisition Threshold)

50%



SBA Socioeconomic Programs

SBA Program	Description
<u>Small Disadvantaged Business</u>	Register to contract with the government as a Small Disadvantaged Business. Learn more
<u>Women-Owned Small Business / Economic Disadvantaged</u>	The federal government's goal is to award at least five percent of all federal contracting dollars to women-owned small businesses each year. Learn more
<u>Service-Disabled Veteran Owned</u>	Learn about federal programs that help veteran-owned small businesses access federal contract awards and surplus personal property. Learn more
<u>8(a) Business Development program</u>	The federal government's goal is to award at least five percent of all federal contracting dollars to small disadvantaged businesses each year. Learn more
<u>Historically Underutilized Business Zone program</u>	The HUBZone program fuels small business growth in historically underutilized business zones with a goal of awarding at least three percent of federal contract dollars to HUBZone-certified companies each year. Learn more

Economically Disadvantaged (8a/EDWOSB) Requirements to Qualify



Personal net worth (assets minus liabilities) less than **\$850,000***



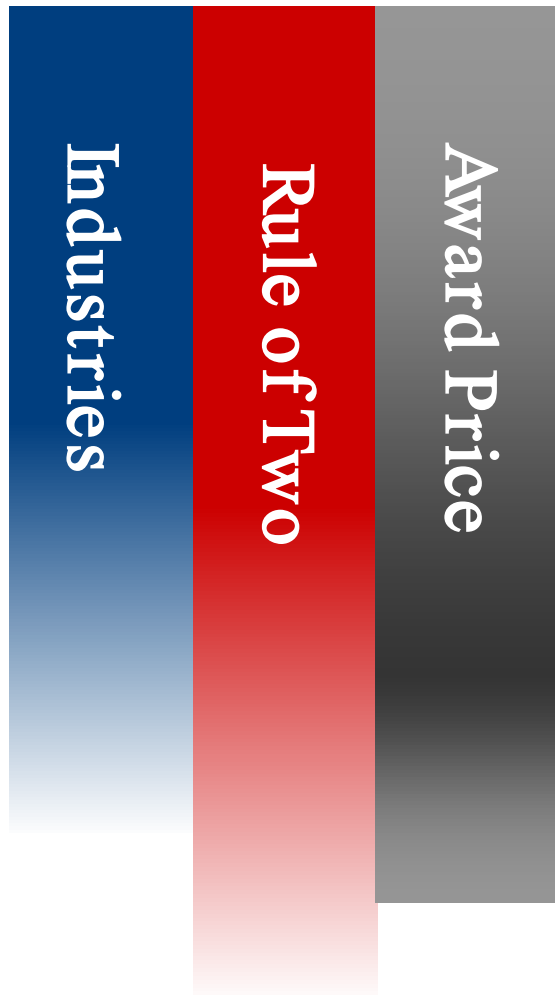
Three-year average income (AGI) is **\$400,000** or less



Fair market value of all assets is **\$6.5 million** or less

*Personal net worth excludes equity in business, personal primary residence, funds reinvested in IRA or other *legitimate* retirement accounts

WOSB and EDWOSB Set-Aside Contracts



[87 FR 58237](#)

Industry

New NAICS Added

WOSB

NAICS code assigned to contract is in an industry where WOSBs are **substantially underrepresented**

EDWOSB

NAICS code assigned to contract is in an industry where WOSBs are **underrepresented**

Rule of Two

Contracting officer has reasonable expectation that 2 or more WOSBs will submit an offer

Award Price

Contract must be awarded at fair market price



U.S. Small Business
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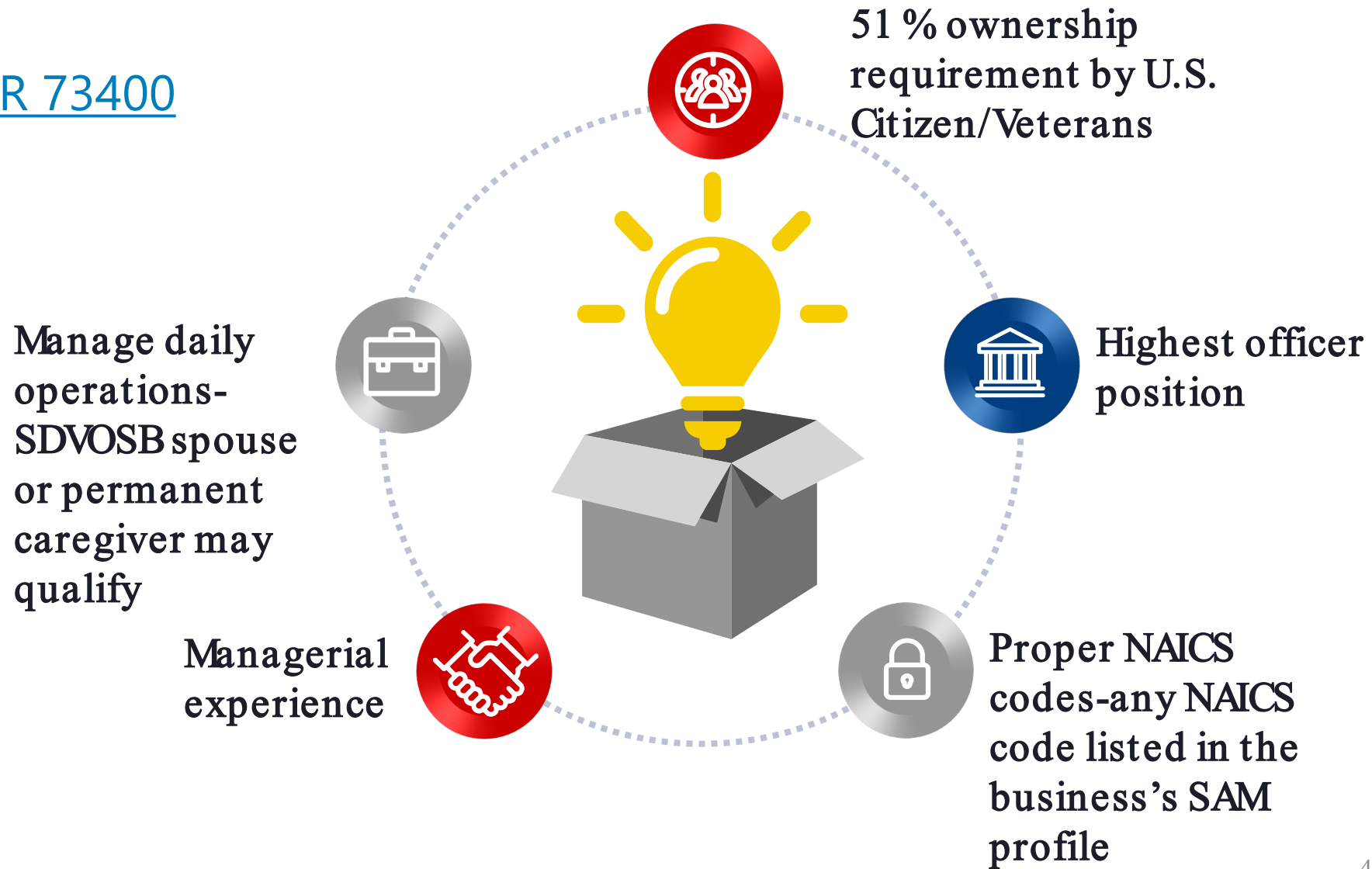
Veteran Small Business Certification Program (VetCert)

[Veteran contracting assistance programs \(sba.gov\)](https://www.sba.gov)

[Veteran Small Business Certification \(sba.gov\)](https://www.sba.gov)

Is VetCert Appropriate for You?

[87 FR 73400](#)



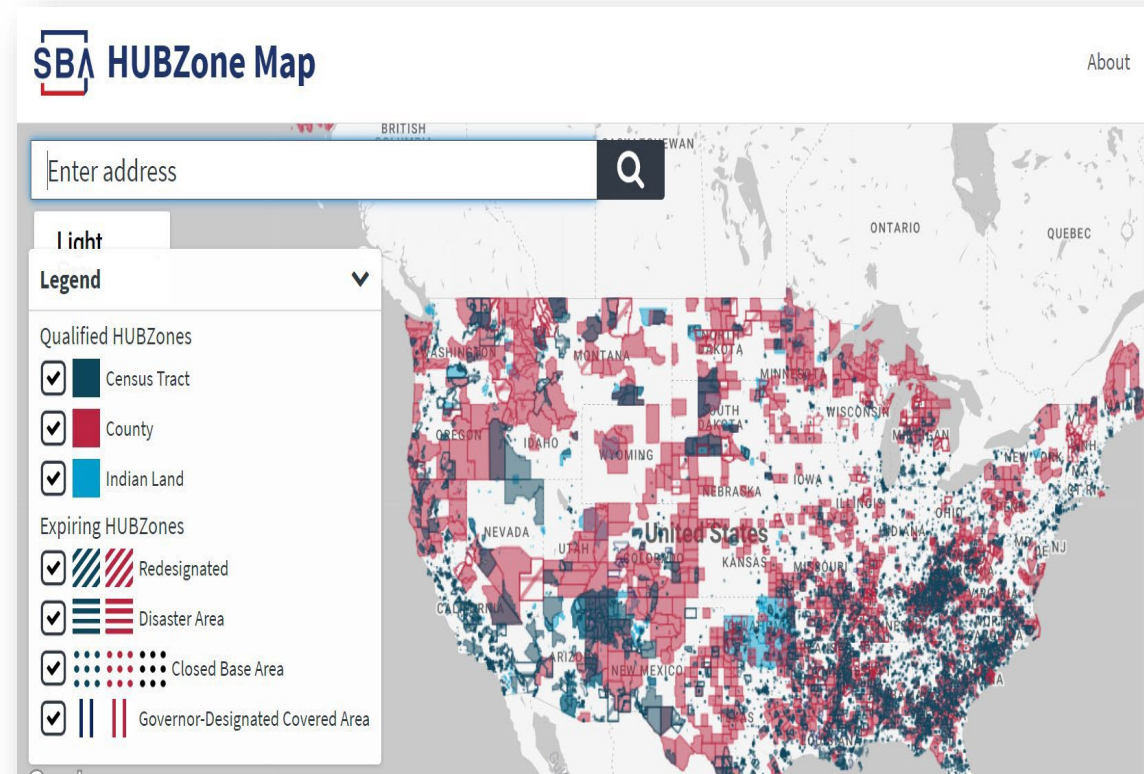
HUBZone Designations

- More than 22,000 communities
- Footprint expanding

[Preview HUBZone Map \(sba.gov\)](https://www.sba.gov/hubzone-map)

There are seven different designations:

1. Census Tract
2. Non-metropolitan County
3. Indian Land
4. Disaster Area
5. BRAC
6. Redesignated (transition)
7. **New in 2020:** Governor's Designated (rural) Areas: now in Illinois, Colorado, Virginia, Wisconsin, Louisiana, and Connecticut.



Procurement Assistance



- SBA website with training, information sessions, updates, & MORE
- [Massachusetts District Office | The U.S. Small Business Administration | SBA.gov](#)
- 1400+ resource partners
- [SBA - Dynamic Small Business Search Subcontracting Networking System \(SubNet\)](#)



- [GSA Acquisition Gateway](#)
- [GSA Subcontracting Directory](#)
- FY23 [Executive Summary Dashboard](#)



- Government contract assistance
- One to one consulting
- Information sessions and resources
- <http://www.msbdc.org/ptac/rfc.html>



- [Contract Opportunities on SAM.gov](#)
- [Contract Data on SAM.gov](#)
- SAM is part of IAE >200 data bases



- [USASpending](#)

Certification Programs and SBA's MySBAInitiative?

The MySBAinitiative is under development.

What is the vision for MySBA?

- Establishes a centralized/collaborative structure to understand, improve, and unite the customer experience across all SBAprograms.
- Intended to provide a single point of access for SBAloans, certifications, counseling, trainings, etc.
- Customer experience is intended to be more customer-centric and easy to use.
- Streamlined processes will align data and customer engagement, reduce redundancies, etc.

Once MySBAis launched, Certification Programs will fall under its umbrella.

SBA Administrator Guzman – Equity Plan

SBA Equity Action Plan

Underserved small businesses:

- Asian American
- Black and African American
- Hispanic and Latino
- Middle Eastern
- North African
- Other Persons of Color
- Alaska Native
- Native American
- Native Hawaiian
- Pacific Islander

- Tribal Communities
- Have Disabilities
- Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ+)
- Of Religious Minorities
- Live in Rural or underserved Urban areas
- Veterans, Military Servicemembers, and Spouses
- Women
- Are otherwise adversely affected by persistent poverty or systemic inequality



U.S. Small Business
Administration

Questions?

How are we doing?

Please take a minute to let us know

www.sba.gov/feedback

