



**U.S. Small Business Administration
Washington, D.C. 20416**

TESTIMONY of

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U.S. Small Business Administration**

**U.S. Senate Small Committee on Indian Affairs
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Good morning Senator Lankford. SBA Administrator Contreras-Sweet sends her regards and regrets that she could not attend today's hearing.

I am Dottie Overal, and I serve as District Director of the U.S. Small Business Administration's Oklahoma District Office.

As you know, SBA's mission is to strengthen the nation's economy by enabling the establishment and vitality of small businesses. Underpinning all of our efforts is the notion of "inclusive entrepreneurship." By this I mean that we work to ensure that SBA products and services are available to small business owners regardless of age, race, gender, geography or socio-economic status.

My testimony today will focus on our work in the Oklahoma Native American Community through our 7(a) lending, 8a business development, and HUBZone programs.

The 7a Loan program is the SBA's primary business loan program. These loans do not come directly from the Agency but rather from banks and other participant lenders. The SBA guaranty reduces the lender's risk. Over the past five years, SBA guaranteed over \$68.8 million in loans to Oklahoma Native American firms like Sherrie Schatz of Schatz Publishing in Blackwell and Carolyn Bahner owner of Expanded Solutions in Oklahoma City.

The 8a Business Development program is a nine-year program established to assist eligible socially and economically disadvantages individuals to develop and grow their businesses. Like Al Alfaro of He and I Construction in Lawton, OK, a successful program graduate, these firms are considered small disadvantaged business concerns for the purpose of federal contracts. Currently the Oklahoma 8(a) portfolio of 75 firms consists of 35 tribally owned firms and 25 Native American owned firms. On another note, approximately 2/3 of our State is in a designated HubZone based on Indian Lands. This designation gives small businesses located in a HubZone access to federal set-aside contracts and sole source contracts, as well as a price evaluation preference. We are currently working with the Oklahoma Bid Assistance Centers, located throughout the State, to provide hands on assistance to firms wanting to get into this program.

As you are aware, Choctaw Nation has received a Promise Zone designation and SBA is currently working with tribal leadership to bring programs and focused training to the 11 county designated area. Over the next three months we hold a lender matchmaking event in Durant and a Native focused 8(a) application training in McAllister.

Our Office of Native American Affairs has been led by Chris James since 2011.

As part of the White House's Native American Generation Indigenous initiative, SBA will host a "hack-a-thon" event in California later this year with plans to extend to other regions including Oklahoma and surrounding areas. We're going to teach tribal youth how to employ the kinds of business problem-solving skills being used in places like Silicon Valley.

In addition to the hack-a-thon, the SBA held a roundtable event tailored specifically for young Native women entrepreneurs in Oklahoma this past March.

We have also issued LINC, which stands for Leveraging Information and Networks to Access Capital. LINC can expand borrowing options beyond your local bank. With LINC, a small business owner can go to sba.gov and fill out a simple online form in minutes. The form is then sent to lenders with a regional, statewide, or even national reach. Within 48 hours, the applicant is either contacted by a lender to meet or discuss their application. Or else, if no banks respond, SBA will direct the entrepreneur to a free local business adviser for loan consulting. We've rolled out LINC to our microlenders and nonprofit lenders already. American Indian and Alaskan Native entrepreneurs were the very first group we brought in to test this new technology prior to the rollout. That's because we think this online service will be especially beneficial to those who face geographic barriers in accessing capital.

Later this spring, we'll take an even bolder step toward modernization when we roll out SBA One – which is the total automation of our loan application. One of the prevailing criticisms of the SBA is that it's too cumbersome, time-consuming and expensive to apply for a loan with us. SBA One will mean the end of fax machines and paper forms in our application process. Instead relevant loan documents will auto-populate. The forms can then be filled out online using an intuitive interface – and then filed using digital signatures. It will substantially cut the time and cost of applying for SBA capital.

In terms of counseling, we're also going to be pioneering another innovation this year in Indian country. In 2015, we'll be bringing growth accelerators to reservations and tribal communities. Last year, the SBA funded 50 growth accelerators across the country. These are basically business incubators that help startups quickly launch, scale up and turn a profit. Accelerators provide a physical infrastructure where budding entrepreneurs can work and plan. They offer mentoring, networking, business-plan assistance, and possibly even access to investment capital. Our Office of Innovation is currently working to recruit an SBIC venture capital fund in Indian Country that would invest in the most promising, high-growth tribal businesses. Growth accelerators are usually found in big cities, but our idea was to export the Silicon Valley support structure to underserved communities. This year, the SBA will be funding our first growth accelerators in Native American communities

nationwide. Competition winners will receive \$50,000 to pay for things like rent, office equipment, wifi connections, or staff expenses. We think this can be a great new way to increase the numbers of successful startups in Native American communities.

We are committed to innovations that will allow us to serve and assist Native American-owned business in Oklahoma and across America.

Thank you for the opportunity to provide this testimony, and I welcome your comments and questions.