

Specialist Blaine Miles Hall, Washington Army National Guard

## Deployment Issues As They Pertain to Small Business

Intro: I would like to start off by saying that I am proud to be in the Washington Army National Guard and I understand the possibility for deployment can occur at anytime with little notice, and that it is our responsibility to keep our households and business' ready for deployment while we are members of the Washington Army National Guard. While I don't want to focus on the situation that occurred with me personally, I would like to focus more on the program problems themselves, below you will find a brief outline of my situation, the problems that I have found with the programs and the solutions I see available to make the legislature already passed a success.

Personal Story: Opened my business in November of 2002. My business was turning a profit, though minimal till I was forced to close it in October of 2003. In May of 2003 we received notice from our command group that we would be deploying to Iraq within 90 days and that orders would be sent to us within a week or two. Upon this notice I contacted the SBA Disaster relief program to start applying for a loan. I found out that I cannot start the process until I receive orders. Knowing the extensive training I was going to have to give the person I hire to replace me, I spent my own funds to find, hire, and train an employee to handle my business while I was deployed. Word came down from my commander at the end of June that we were no longer being deployed. I had to lay off my employee and continued to struggle with all the money I had spent coming out of my own pocket. In October of 2003 we were again told that we would be deploying to Iraq in November, with no money left to hire and train yet another employee and the SBA un-willing to work with me until I had orders (they did not arrive in my hand until December 2nd 2003) I was forced to close my business and file for bankruptcy.

The Problem: The Disaster program is a great program that needs to be loosened to accommodate the army way of functioning. Soldiers often do not receive their orders until after a deployment starts and this does not allow a business to fund the larger costs of deployment that occur at the very onset. The soldiers and Sailors relief act that allows for soldiers to opt out of leases and drop interest rates down to 6% has no enforcement structure to enforce that lending and leasing agencies actually agree to comply. The SBA loan process allows for you to apply for the loan after you have been activated but will not offer a loan to you if you closed your business during the deployment. The SBA is also Credit Rating based, which means your business may be financial profitable but if the SBA determines that you are over extended, your business has not been open for two years, your type of business does not offer the collateral necessary to cover the loan, or have negative credit they will decline you for a loan. It seems to me that there is more of a worry that the system will be abused than there is a worry to actually help the deploying soldiers. Why can we allow these troops to go risk their lives, but cannot in-trust them to keep their business alive for when they get back? Does it make sense to set rules that hinder much needed aid to soldiers in the fear that one or two might abuse the system?

Suggestion for Solution: Allow soldiers access to the loan process before they are ordered to

active duty, there should be a warning order, or letter of deployment issued by the army that will suffice for the SBA to allow the release of funds while the troops are still home side and able to use the money to benefit their business. This program should not be based on Credit Ratings or any other means other than the needs of the individual business and soldier. Remember that soldiers are government employees and that any abuse of this program can be deducted from their pay or taxes. Create a penalty program for any company that does not wish to comply with the Soldiers and Sailors relief act, it is incredibly easy for companies to negatively effect your credit report (especially while you are fighting a war over seas and unable to check it) but it is impossible to fix the damage once it has been caused, and with no governmental help.