

## Feature

# Acting Director of the U.S. SBA Office of Surety Guarantees **Peter Gibbs Looks to the Future**



U.S. SBA Office of Surety Guarantees  
Acting Director Peter Gibbs

**AFTER THE APRIL** 2016 retirement of Frank Lalumiere, who was Director of the U.S. Small Business Administration (SBA) Office of Surety Guarantees (OSG) and oversaw the Surety Bond Guarantee (SBG) Program, the Program has gained leadership with the appointment of Peter Gibbs as Acting Director. Gibbs is a longtime staffer with the OSG, starting in 2005 and most recently serving as Deputy Director of the SBG Program.

Gibbs joined the SBA in May 1991, serving in SBA's Investment Division Office of Examinations, New Markets Venture Capital, and the Rural Business Investment Program. Initially an Examiner, he was ultimately promoted to Deputy Director and successfully launched the New Markets Venture Capital Program, establishing and implementing policies, regulations, and evaluation procedures. This program promotes economic development and the creation of wealth and job opportunities in low-income areas. His primary



From left, Peter Gibbs, NASBP bond producer members Reggie Jarvis of Centennial Surety Associates and Josh Etemadi of Construction Bonds, Inc., and Michael Cox of the SBA's OSG at the May 18 Bonding Across America event in DC.

charge was evaluating private venture capital management teams to determine their eligibility for \$180 million in debenture and grant funding.

A graduate of Central State University with a B.S. in accounting and of Western Carolina University with an M.E. in entrepreneurship, Gibbs' career includes serving 27 years in the Army National Guard, Army Reserves, and on active duty. "I was deployed from 2006 to 2010, serving at the Pentagon and the Defense Intelligence Agency, which included two deployments in the Middle East," he recalled. "My background as a senior logistics military officer has helped me to lead a great team while utilizing innovation to take the SBG Program to the next level." He also worked as a comptroller for an 8(a) construction firm,

giving him "firsthand knowledge of the bonding process and the hurdles small businesses sometimes encounter in applying for surety credit."

As the SBG Program Deputy Director, Gibbs developed and recommended policies, procedures, guidelines, and criteria for evaluating and mitigating all programs and operational efforts. In addition to operations and personnel management, he worked closely with the surety companies that provide more than \$9 billion annually in bond guarantees to small U.S. businesses. Then he concentrated on underwriting and information technology, but he is now responsible for all SBG Program aspects.

Two NASBP bond producers who have worked with Gibbs see him as the right choice for his new position. "Peter is always willing to listen to



NASBP CEO Mark McCallum, left, met with Gibbs at NASBP headquarters to discuss creation of the Bonding Across America program.



Peter Gibbs, third from right, with SBA staff.

your proposal,” noted Josh Etemadi, Assistant Vice President for Construction Bonds, Inc.—A Division of Murray Securus. “He is constantly looking for ways to improve the program. Peter is passionate about the SBG Program and about the surety industry as a whole. His experience as a CFO for a minority-owned construction company allows him to see the varying levels of strengths and weaknesses in small and emerging construction businesses.”

After Gibbs arrived at SBA, “he went out to meet and greet people and got the operations of SBA into the mainstream after years of people thinking SBA’s sureties took too much time and were too expensive,” said Mike Williams, President of CCI Surety, Inc. “He was instrumental in cutting down the paperwork, enabling small and minority contractors to stay in the program. Because of Peter’s hustle, drive, and desire, he was key in helping me attract new surety companies into the SBG Program.”

### Program Improvements

As Acting Director, Gibbs wants to make the SBG Program easier for surety bond producers to use while paying claims more quickly. Several recent initiatives have already contributed to this effort.

Implemented in 2012, Quick Bond Approval (or QuickApp) in the Prior Approval program, which fast tracks bonding applications with a \$250,000 limit, has been extremely successful. “Since 2012, SBA has guaranteed approximately 6,800 bonds using QuickApp with fewer than 50 defaults,” Gibbs said. “Because of that success, SBA is in the process

## NASBP AND SBA DELIVER BONDING ACROSS AMERICA PROGRAMS

On May 18, NASBP and SBA delivered three bonding awareness programs, which were held in Denver, CO; Seattle, WA; and Washington, DC, as part of an educational campaign titled “Bonding Across America.” The programs, specifically designed to be rolled out quickly, introduced such topics as bonding and insurance, banking and finance, federal assistance programs, and local procurement opportunities to small and emerging contractors. The programs are among several initiatives that resulted from the memorandum of understanding that NASBP and the SBA had signed in the fall of 2016.



of increasing the QuickApp limit to \$400,000.” The new higher limit is expected to take effect in 2017. The increase/decrease threshold will change to 25 percent, and the guarantee percentage for the Preferred Program will increase to 80 to 90 percent to match the Prior Approval Program. Other Program enhancements are also expected in 2017.

“QuickApp has created capacity for small, emerging minority contractors who are challenged in some fashion,” Williams said. “It’s created an opportunity for them to get into the ballgame.” Etemadi agrees, saying, “QuickApp has been helpful to small contractors who can’t qualify for the credit applications and don’t have their financial houses in order yet.”

The Pay.gov program allowing contractors to pay their SBA fees with credit cards or direct withdrawal from checking accounts is another success. “This is because

mistakes are minimized and checks are not lost in the mail,” noted Gibbs. “Pay.gov has reduced our bond guarantee cycle time by at least one day.” “Contractors were thrilled when they found out they could make payments with credit cards and improve the processing time,” Etemadi noted.

Although use of digital signatures has not been adopted, now agents and sureties are authorized to upload facsimile copies of all documents. “Creating a paperless environment was a very important initiative of mine, so I am happy SBA has eliminated costs our partners historically incurred in getting their forms to us in a timely manner,” Gibbs said. “Uploading documents is now mandatory and has reduced our bond guarantee cycle time by at least one day.”

Launched in 2014, the General Login System (GLS) E-Application lets

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Peter Gibbs at the joint NASBP/SBA bonding awareness pilot program held in the fall of 2016 in Maryland.

sureties submit claim applications online directly to the SBG Program. Gibbs said this electronic claims filing system got off to a slow start in terms of use by the sureties but is now being used by all SBG partners.

Another recent change is realignment of the OSG offices to provide adequate support for the eastern, middle, and western states. Each of these three area offices has a

manager and a marketing specialist to meet the needs of OSG partners and help with their questions or concerns. "My staff understands customer service is important to me and the success of our program, so every effort is made to ensure we're adequately meeting the needs of our stakeholders." Gibbs emphasized.

These changes have speeded up the submission of bonding applications and the payment of bond guarantees. "We process bond guarantee applications in less than two days and claims in less than eight days," Gibbs reported. "We're working efficiently and smarter with our partners to ensure small businesses are supported in a timely manner. In comparison with the paper-based application process in place prior to the initial launch of our electronic application system in 2007, we now approve bond guarantees and claims in less than one-quarter of the time it used to take. Contractors are happy because they receive the bonds they need quickly,

frequently without having to post collateral or other financial support. Our authorized bond producers and surety partners have been sharing their appreciation for the Program and recent improvements with us and with others in the surety industry, especially with regard to the now almost fully electronic application process and our very quick response time. A testament to our success and great relationship with the industry is the recent addition of seven new surety firms partnering with SBA and the SBG Program, bringing the total number of participating sureties to 30.

"SBA's Surety Bond Guarantee Program is not your grandfather's program anymore," Gibbs stressed. "We are constantly looking at innovative ways to improve the process to make sure our partners and contractors benefit from our products. We are striving to open doors to bonding!"

Plan to register for the complimentary July 25 NASBP Virtual Seminar at 2 p.m. ET to learn more. ●

An advertisement for RLI Surety. The background is a photograph of a city skyline with a large, colorful mural on a building. The mural depicts a sun, clouds, and stylized buildings. A green banner across the middle contains the text "INNOVATIVE SURETY SOLUTIONS. CUSTOMER-FOCUSED." Below this, there is a list of RLI's credentials and a call to action to visit RLISURETY.COM. The RLI logo and tagline "DIFFERENT WORKS" are in the bottom right corner.

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