

# A Whole New Ballgame



From L to R: Secretary Jimmy Patel, Vice Chairman Mehul Patel, Chairman Alkesh Patel, Rep. Joe Wilson (R-S.C.), President Fred Schwartz, South Carolina Regional Director Mitesh Patel, and Treasurer Pratik Patel

## *South Carolina Regional focuses on financial and economic challenges that impact small business owners*

For hotel owners who still do not understand how the “perfect storm” of financial disaster began in 2008, Scott Corrigan, owner of Hospitality Finance Solutions Inc. of Raleigh, N.C., is happy to brief them on today’s hotel lending environment.

Corrigan was a guest presenter during AAHOA’s South Carolina Regional Conference held at the Marriott Greenville on November 1. Corrigan set the tone for the day’s discussions, which focused on financial and economic challenges that impact small business’ ability to grow and create jobs.

### Lending Climate

Corrigan said much has changed in hospitality financing, and it’s a whole different playing field. Available capital has increased somewhat since the precipitous drop of 2008 and 2009, but banks are far from recovered, and lending and valuation

**By Judy Maxwell, for  
AAHOA Lodging Business**

rules have changed significantly. Some of the changes include:

- The FDIC’s reclassification of hotels from owner occupied real estate to commercial real estate, making banks too heavy in commercial lending ratios.
- The passing of the Dodd-Frank Act, a financial reform that forced lenders to reclassify and revalue properties to current year values.
- Since 2008, banks were littered with workouts and requests for delayed loan calls
- Changes in loss-share agreements on government-guaranteed loans, encouraging banks to foreclose on commercial debtors.

The current lending environment was a topic that carried over into AAHOA’s business meeting, with Chairman Alkesh Patel urging

members to become politically active and donate to the PAC fund in order to give AAHOA the strength it needs to lobby lawmakers to support AAHOA’s legislative priorities.

### Political Talk

Special guest and close AAHOA ally Rep. Joe Wilson (R-S.C.) expressed his fondness for Indian-Americans as well as the culture and values that they bring to U.S. society. “I want to be one of your voices in Congress,” Wilson told the gathering of more than 200 attendees. “I have an affinity and appreciation of people of South Asian heritage,” he said, crediting his father who was in India in 1944 as an Army Air Force pilot and grew to love the country and its people. “As I was growing up my dad told me how competent and capable and hard working the people of India are, and that’s why when Indian-Americans started buying hotels and motels I

said, 'Hey, I know who you are.'" He noted when he first became a lawmaker he joined the India Caucus before joining the Republican Caucus. The congressman has a color photo of his father at the Taj Mahal in the 1940s as well as a small figurine of the structure in his office.

He said he appreciates the Indian-American professional community because of the jobs and opportunities it creates. When AAHOA members visit Washington, D.C., Wilson is one of the first lawmakers they visit to discuss issues that impact small businesses.

The veteran congressman said he favors the JOLT Act and the visa waiver program to encourage people to visit the United States and get to know the people of our country. He wants to continue to work with AAHOA regarding the ADA pool lift regulations.

He said he is also concerned about increasing taxes on business.



Scott Corrigan discusses economic challenges

"That will kill your ability to create business and grow your business. It will destroy jobs. It will shift money from you to the politicians. It's a question of power and many of you

came from countries where you actually saw this – politicians had control where they should not, and then that led to economic stagnation. And I am concerned about that."

Other issues he said he was concerned about include the Obama administration's plan to decrease the size of the military and the federal government's energy policies that keep prices high and prevent companies from growing and creating jobs.

Alkesh Patel encouraged members to continue to pledge financial support to the PAC, which has more than \$400,000. Patel said his goal as Chairman is to see the PAC fund reach \$1 million with most of the giving pledged for five years.

Wilson said PACs help regular, everyday people run for public office, and added that it's tough for normal citizens to run against wealthy candidates who can easily fund their campaigns. ■

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