

Small Businesses, BIG Plans

SBA 504 Loan Fixed Asset Financing



Good for your customer . . .

- ✓ Purchase land and construct new buildings
- ✓ Purchase and renovate existing buildings
- ✓ Low down payment - 10% to 20%
- ✓ Low, fixed interest rate on 504 debentures
- ✓ Acquire and install machinery
- ✓ Expand existing facilities
- ✓ Long-term repayment - 10 or 20 years

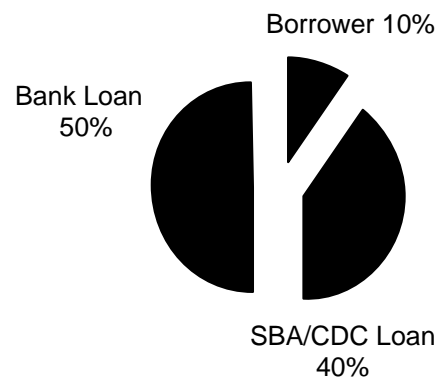
Good for you . . .

- ✓ Senior lien position on project collateral
- ✓ No fee or interest rate restrictions
- ✓ 50% loan-to-value ratio
- ✓ CRA credits
- ✓ CDC handles the paperwork
- ✓ Attract new customers

504 Loan Structure

Example: \$3,750,000 Project

	<u>\$ Amount</u>	<u>% of Project</u>	<u>Security</u>
Bank Loan	\$1,875,000	50%	1 st Lien
SBA/CDC Loan	\$1,500,000	40%	2 nd Lien
Borrower	\$ 375,000	10%	
Total:	\$3,750,000	100%	



504 Financing works best on general projects up to \$5 million and on manufacturing projects up to \$10 million.

How It Works

North Carolina has 10 Certified Development Companies licensed by SBA. These CDCs work closely with borrowers and their banks to package, process, and service 504 loans. The loans are funded by the sale of SBA guaranteed debentures on Wall Street. These government guaranteed bonds enable 504 borrowers to obtain low, fixed interest rates on 10- or 20-year loans. Call one of the CDC's listed below to find out if a 504 Loan is right for you!

Avista Business Dev. Corp.	Asheville	Robert Kendrick	(828) 645-0439
BEFCOR	Charlotte	Richard Bargoil	(704) 442-8145
Centralina Dev. Corp.	Charlotte	Richard D. Vitolo	(704) 373-1233
Neuse River Dev. Authority	New Bern	Guy Williams	(252) 638-6724
Northwest Piedmont Dev. Corp.	Winston-Salem	Charles Malone	(336) 761-2111
Region E Dev. Corp.	Hickory	James E. Chandler	(828) 322-9191
Region D Dev. Corp.	Boone	Philip Trew	(828) 265-5434
Self-Help Ventures Fund	7 locations statewide	Charlie Cleary	(800) 476-7428
Smoky Mountain Dev. Corp.	Waynesville	Allan Steinberg	(828) 452-1967
Wilmington Industrial Dev., Inc.	Wilmington	Susie Parker	(910) 763-8414