

SBA's 504 Loan . . . Fixed Asset Financing for Small Business



504 Loans Can Be Used To . . .

- ✓ Purchase land and construct new buildings
- ✓ Purchase and renovate existing buildings
- ✓ Acquire and install machinery
- ✓ Expand existing facilities

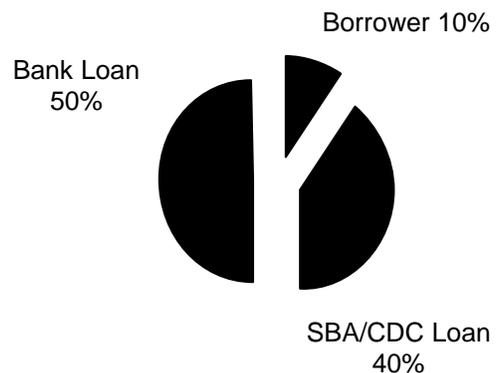
Advantages of an SBA 504 Loan

- ✓ Low down payment - As little as 10%
- ✓ Long term repayment - 10 or 20 years
- ✓ Low, fixed interest rate on 504 debentures

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	<u>\$ 375,000</u>	<u>10%*</u>	
Total:	\$3,750,000	100%	



The SBA portion of a project may not exceed \$5 million.

How It Works

North Carolina has nine 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 Corporation BEFCOR	Asheville Charlotte Raleigh	Robert Kendrick Elaine Fairman Louis Rogers	(828) 645-0439 (704) 414-3000 (919) 366-6441
Centralina Dev. Corp. Neuse River Dev. Authority Piedmont Triad Reg Dev. Corp. Region D Dev. Corp. Region E Dev. Corp. Self-Help Ventures Fund	Charlotte New Bern Winston-Salem Boone Hickory Durham Charlotte	Sanjay Mistry Guy Williams Matthew Dolge Phil Trew Anthony Starr Charlie Cleary Dale Harrold	(704) 373-1233 x104 (252) 638-6724 (336) 904-0300 x1100 (828) 265-5434 (828) 322-9191 (919) 956-4629 (704) 409-5915
Smoky Mountain Dev. Corp.	Waynesville	Allan Steinberg	(828) 452-1967