

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

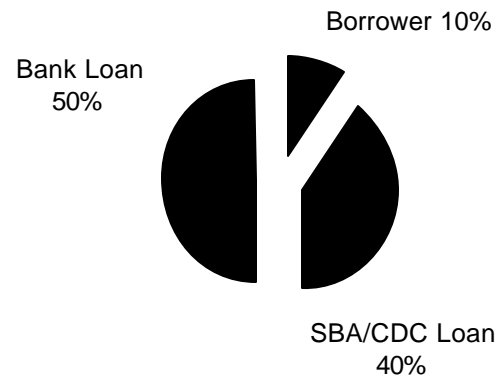
Advantages of an SBA 504 Loan

- ✓ 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%	



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

How It Works

South Carolina has 7 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!

Appalachian Development Corp.	Greenville, SC	David L. Mueller	(864) 242-9733
CSRA Business Lending	Augusta, Ga.	Randall E. Griffin	(706) 210-2000
Catawba Regional Dev. Corp.	Rock Hill, SC	Harold S. Shapiro	(803) 327-9041
Certified Development Corp. of SC	Columbia, SC	W. C. Grimes	(803) 798-4064
Coastal Area District Dev. Authority	Brunswick, Ga.	Robin Blackwell	(912) 261-9566
Provident Business Financial Services	Columbia, SC	Charles E. Harmon	(803) 791-0071
Small Business Assistance Corp.	Savannah, Ga.	Anthony O'Reilly	(912) 232-4700