

SMALL BUSINESS ADMINISTRATION 504 PROGRAM

PROJECTS FUNDED USING THE SBA 504 PROGRAM



Classic Drycleaners, Lemoyne



Keystone Pub & Grill, Whitehall



Simply Well, Carlisle



Cumberland Aquatic Center,
Mechanicsburg

The SBA 504 loan program provides long-term; fixed rate; low equity economic development financing for small businesses to acquire, improve/construct real estate, and/or purchase major fixed assets for expansion.

ELIGIBLE PROJECTS

- Land and building acquisition
- Building construction, expansion and renovation
- Purchasing/upgrading long-term machinery and equipment

ELIGIBLE BORROWERS

- Most for-profit, small businesses, including agriculture production
- Tangible Net Worth < \$15 million
- 2-year Average Net Income < \$5 million

LOAN LIMITS

- Up to \$5 million or 40% of total eligible project costs (whichever is less)
- Up to \$5.5 million for certain qualifying projects
- Up to \$5.5 million for manufacturers

TERMS

- 20-year fixed rate term for real estate
- 10-year fixed rate term for machinery and equipment
- 10% equity required
- 15% equity required for new business projects and/or special purpose real estate
- 2.7% commitment/closing fee – funded by Debenture. 0.5% Participation Fee is based on the first mortgage loan amount.

RATE

The interest rate is based on the sale of U.S. Treasury Bonds, which is set when a loan is disbursed and remains fixed for the loan term. Visit www.edcfinancecorp.com for current interest rates.

STRUCTURE

Loans are made in conjunction with a loan secured from a private lender with a senior lien covering up to 50% of the project cost (50% - Private Lender / 40% - SBA / 10% - Borrower).

Cumberland Area Economic Development Corporation's SBA 504 loan program is administered by EDC Finance Corporation, a Certified Development Company.