

# RATES & NEWS



## SBA 504 Rates for FEBRUARY

**4.94% 20-Year Debenture - 4.99% for Refinance**  
**4.65% 10-Year Debenture - 4.70% for Refinance**

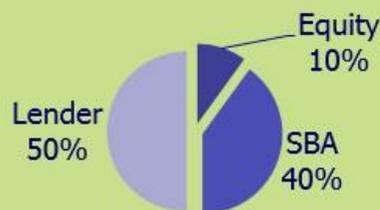
## Financing an SBA 504 Loan

In earlier newsletters we talked about what we CAN finance with an SBA 504 loan. Now let's talk about financing structure.

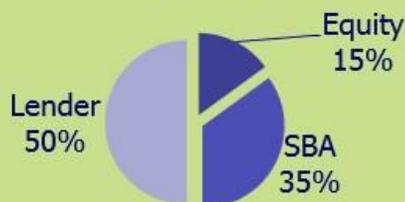
The SBA 504 Loan Program provides small and medium size businesses with long term fixed rate financing for the acquisition or construction of fixed assets. Typical financing combinations are 50% private lender, 40% SBA and 10% by the business. By taking a secondary position on project assets, SBA provides a "collateral cushion" for the primary lender and reduces the amount of equity normally required of the borrower. Below are some examples of project structure.

### Sample Financing Combinations

#### Typical



#### Start-Up or Special-Use



#### Start-Up & Special-Use



**"Start-UP"** is defined as less than 2-years in operation. SBA also defines "start-up" as a 2+ year old operation that ownership is changing hands.

**"Special Use"** is a typical example of a hotel, gas station, car wash, cold storage facility (dry self-storage facilities are not considered special use).

By partnering with the SBA, you not only decrease your risk, you also limit your loan exposure in these industries. Not to mention the lower down payment and the stability of the long-term fixed interest rate for your borrower.

It's always a good idea to contact one of our loan officers with any potential financial request. For more information, check out the FAQ page on our website [Here](#).

With five offices throughout Michigan, MCDC's experienced [Staff](#) will work with you through every step of your SBA Loan. MCDC is a non-profit corporation authorized by the U.S. Small Business Administration to provide SBA [504 Loan Financing](#) and [7\(a\) Lender Services](#). For more than 35 years MCDC has been a leader in SBA financing in Michigan, participating in projects generating 26,000+ jobs and more than \$2.5 Billion of investment. For more information, please feel free to call us at 833-504-LOAN or 833-7ALOANS or visit us at [www.michigancdc.org](http://www.michigancdc.org).

## Interesting MCDC Facts

<sup>3</sup> On an average, MCDC holds a lender event more than once a month. These range from March Madness Mixers, Meet and Greet, Octoberfest, Tiger Baseball Games, Golf Outings, and much more. You will never walk away hungry or empty handed from a MCDC event.

Additionally, bringing a project to us will secure an invitation to our Annual MCDC Lender Appreciation Golf Outing. Everyone gets a door prize and you have the chance to win \$25,000 with an Ace at our Hole-In-One hole. The odds are in your favor since we've had THREE Holes-In-One in the last six years including a \$25,000 winner in 2016!

Click [Here](#) for more information on the MCDC and what we have to offer.

## Recently Funded Projects



Accuworx LLC



Lodge of Durand  
Memory Care II,  
LLC



Tri-City Brewing  
Company



West Construction  
Services