Government Shutdown Update

October 28, 2025

At Michigan Certified Development Corporation, we are committed to providing you as much assistance as possible during the government shutdown. Part of that is to provide timely and accurate information regarding assistance that may be available to you and your customers and to continue to keep your projects moving forward.

We are actively accepting new loan applications, preparing deals for submission and servicing previously funded loans. While SBA approvals and 327 actions are temporarily paused, there are still ways to proceed.

1. Submit your deal now. Don't wait for the shutdown to end. We can underwrite your loan, order environmental and appraisal reports, and prepare your application for SBA submission. When SBA systems resume, deals will be reviewed in the order received—early submission matters.

2. Close with bridge financing. Per recent SBA guidance on SBA 504 loans, lenders may close the permanent loan for the Third-Party Lender (TPL) and use a short-term bridge loan (interest-only, up to 3 years) for the SBA portion before SBA approval.

- Borrowers must be informed that the SBA 504 Loan is not yet approved
- TPL's proceed at their own risk
- TPL's may take additional collateral to secure the interim financing

3. Let us review your interim financing. Already have short-term financing in place? We're happy to review it to ensure it aligns with SBA 504 eligibility once approvals resume.

4. Explore alternative options. If SBA timing or eligibility is a concern, we can help look into alternative financing solutions with low borrower injection and flexible terms.

As an alternative, your borrower may reach out to you to discuss their options, including additional financing or modifications to existing loans. If you should decide to allow a borrower an interest-only period on the 504 first loan, you do not need SBA or MCDC approval prior to taking that action.

In the event your customer desires a deferment of their 504 loan, please reach out to MCDC at servicing@michigancdc.org.

Thank you and we appreciate your continued partnership.

Michigan Certified Development Corporation (MCDC) is a non-profit organization that helps small businesses secure funding. MCDC specializes in the **SBA 504 Loan Program**, which provides long-term, fixed-rate financing for the acquisition of fixed assets like real estate and equipment. MCDC also offers the **SBA 7(a) and Community Advantage Loan Programs**, which are more flexible and can be used for a variety of business needs, including acquisitions.

Since its inception in 1982, MCDC has been committed to promoting economic growth in Michigan by supporting small businesses.
For more information visit **website** or (517) 886-6612.

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