



SBA 504 LOAN PROGRAM

Fixed Asset Financing For Growing Businesses

Equipment Financing

Have you got a customer who needs to get some attractive financing on some new equipment? Then a SBA 504 loan package might be the right ticket for you.

Contact a Self-Help 504 loan officer n

Charlotte NC Region:

Dale Harrold or Ralph Ansell
(800) 394-7428
(704) 409-5914 or Ext. 5915

Sandhills NC Region:

Allen Cofiori, Fayetteville
(800) 774-7966 (910) 354-1015

Northeastern NC Region:

Gerry Blood, Greenville
(800) 893-9669 (252)752-2203

Southeastern NC Region:

Louis Rogers, Wilmington
(877) 559-4284 (910) 442-1021

Triad NC Region:

Anna Tefft
Greensboro & Winston-Salem
(800) 269-7426 (336) 478-2611

Triangle NC Region:

Joe Osowski, Durham
(800) 476-7428 (919) 956-4493

Western NC Region:

Tom Byers, Asheville
(800) 229-7428 (828) 253-2813

In general, we can put together an equipment-only 504 package for **heavy-duty** equipment. For instance, most manufacturing equipment and large printing presses are eligible, while office computers are generally not. We also **can't finance any form of rolling stock.**

The major criterion is that the equipment must have an anticipated **10-year useful life.**

A few key features of these equipment deals:

- We can often cover some additional costs – such as delivery and installation – in addition to the purchase price of the equipment.
- The 504 debenture has a 10-year term; we require the lender to have a seven-year term.
- The downpayment is typically 10% for existing businesses, and 15% for start-up enterprises.
- The prepayment penalty only lasts for the first five years of the 504 loan.
- We only fund these loans once every two months, so we'll need to time our funding work carefully.

You can always find up-to-date rates on our website, www.self-help.org.

One underwriting issue we often face on these loans is our collateral exposure is significant on these deals. For businesses with excellent cash flow, we might be able to qualify a project with just a second lien on the financed equipment.

However, **for businesses that do not demonstrate excellent cash-flow coverage**, or for large projects – such as a debenture in excess of \$400,000 – we may need to secure our loan with additional assets, either business or personal. We handle these issues on a case-by-case basis, and can let you know early on what our requirements might be for a particular project.