

## An Opportunity To Realize Dreams

NBDA and Harborstone Provides Affordable Financing

Small businesses are taking advantage of a narrow window of opportunity to make dreams happen.

Take Gruber Chiropractic in Gig Harbor, a long-established business in the community. Dr. Bruce Gruber dreamed of a larger facility to care for more patients, and he found the perfect spot on Wollochet Drive N.W. Together with Harborstone, and Elizabeth Stevens from Northwest Business Development Association, a plan was mapped out to achieve this dream.

Harborstone and Northwest Business Development partner to help local businesses purchase or construct their owner-occupied buildings through the Small Business Administration 504 loan program.

"Thanks to the American Recovery & Reinvestment Act, the SBA fees are temporarily eliminated to help stimulate the economy," notes Stevens. "This elimination lasts until the \$375 million set aside by Congress is used up, which may be by the end of 2009."

With as little as a 10% down payment, a business can own its building and enjoy a low 20-year fixed rate.

A typical 504 financing structure looks like the illustration below.

There are two term loans involved. Harborstone's loan is made with a first deed of trust on the building and property. NWBDA's SBA loan has a 20-year fixed-rate note with a second deed of trust. The SBA 504 rate is typically below market rates and is set monthly. For example, the rate set for loans funded in June 2009 was a low 5.9%, fixed for 20 years.

This loan not only helps Dr. Gruber buy the property, but it also finances the interior improvements. With the low down payment, he

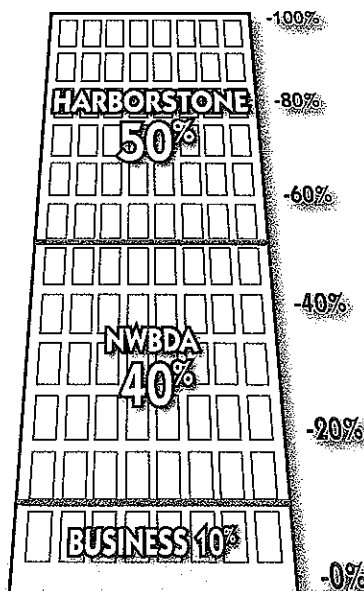
keeps more of his cash to cover everyday working capital needs.

The SBA 504 program participates in the purchase of an existing building or commercial condominium, land purchase, building construction, and major renovations, as well as purchase of heavy equipment with a life span of more than 10 years.

To qualify, a business must:

- ▶ Be a for-profit business operating in the U.S.
- ▶ Have a net worth of less than \$8.5 million.
- ▶ Have a net profit of less than \$3 million.
- ▶ Be majority-owned by a U.S. citizen or legal permanent resident
- ▶ Occupy at least 51% of an existing building being purchased or at least 60% of a building to be constructed with plans to expand to 80% occupancy over 10 years.

Contact Harborstone to find out how you can take advantage of this window of opportunity with the SBA 504 loan program through Harborstone and Northwest Business Development Association. ■



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