



NWBDA
NORTHWEST BUSINESS DEVELOPMENT ASSOCIATION

October 2017
Issue 5

Newsletter

SBA Makes Changes to SOP to Enhance the 504 Loan Program

SBA HAS PUBLISHED FINAL AMENDMENTS TO THE SBA 504 LOAN PROGRAM THAT TOOK EFFECT ON SEPTEMBER 20, 2017. SOME OF THESE IMPROVEMENTS INCLUDE THE FOLLOWING:



SBA has removed consumer and marketing cooperatives from the list of ineligible businesses. All cooperatives may be eligible for SBA loans provided they comply with all other requirements.



504 Loan Program proceeds cannot be used to pay delinquent Federal or State payroll taxes or sales taxes or other similar taxes on behalf of a government entity.



SBA now permits 504 Loan Program proceeds to be used to finance a change of ownership between existing owners of the real estate holding company (EPC). There are some restrictions, so contact your local NWBDA Business Development Officer for more details.



504 Loan Program proceeds can now be used to purchase "heavy duty construction equipment integral to a business's operations with a remaining useful life of a minimum of 10 years."



Rent or lease payments under an EPC/OC lease were further clarified that they cannot exceed the amount necessary to make the loan payment to the first lienholder and the SBA, plus an additional amount to cover the EPC's direct expenses of holding the property, such as maintenance, insurance and property taxes.



Guarantees can be required on owners with less than 5% ownership in the business if the individual has control of the operation of the business and is critical to the extension of credit.

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SBA 504 Estimated Rates for October 2017

20-year - 4.56% / 4.60% Refi

10-year - 4.15% / 4.19% Refi

A letter from the NWBDA President:

I am sure you have heard about the data breach of Equifax. Northwest Business Development Association does utilize the services of Equifax for obtaining credit reports on our borrowers and guarantors. It is my understanding that this is not the division of Equifax that was breached. However, I did reach out to our account manager and the following is the information I was provided:

If you are worried about the [Equifax Breach](#) - visit <http://www.equifaxsecurity2017.com> or call their center at (866) 447-7559. You can also view the Chairman's video available via YouTube for further information:

<https://www.youtube.com/watch?v=bh1gzJFVFLc&feature=youtu.be>

In the event that you receive questions from your customers or consumers about the incident, please direct them to the above provided website and call center number.

Sincerely,

Debra L. Shipman
President of NWBDA



Follow us on Twitter!
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Did you know?

**It only takes 6 days to
start a business in the
U.S.?**

In the month of
September, NWBDA
helped **create 45 new jobs**
in the local communities!

September's Loan Approvals

NWBDA approved 7 new
projects for the total
amount of **\$7,582,809.71**

September's Loan Fundings

NWBDA funded 6 new
projects for the total
amount of **\$17,784,723.81**