



NWBDA NORTHWEST BUSINESS DEVELOPMENT ASSOCIATION Newsletter

February 2018
Issue 9

Northwest Business Development Association is proud and excited to announce the promotion of both **Elizabeth Rusnak** and **Jim Bright** to **Senior Vice President, Senior Loan Officer**.

Elizabeth and Jim have each been with Northwest Business Development Association for over ten years and have been awarded our Top Producers numerous times. Both Elizabeth and Jim have contributed a minimum of 10 approved SBA 504 loans and \$10 million in loan debenture approvals per year, averaged over the past 5 years. Combined loan production for them account for approximately 56% of NWBDA's total loan volume. Elizabeth and Jim do an outstanding job for our company and are both truly worthy of this promotion.

Please join us in congratulating Elizabeth and Jim on their promotion and thank them for their hard work and efforts. They truly are amazing stars.



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(425) 286-6673



Jim Bright
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(360) 521-5704

Significant Changes to the SOP for the SBA 504 Program:

Borrower's Contribution:

If a Borrower (including affiliates) has an outstanding debenture with SBA that is limited or special use, the borrower **MUST** contribute 20% for each project after the first one.

EPC (Eligible Passive Company) Cannot Have Other Operations:

EPC's with other business activities other than a holding company for the subject property leased to OC (Operating Company) are prohibited.

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Serving Washington, Idaho and Oregon

SBA 504 Estimated Rates for February 2018

**20-year - 4.94% /
4.98% Refi**
**10-year - 4.65% /
4.68% Refi**

Business Development Officers

Eastern Washington/
Northern Idaho
Evan Heriot
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Central Washington
Lisa Vincent
lvincent@nwbusiness.org

Western Washington
Elizabeth Rusnak
erusnak@nwbusiness.org
Elizabeth Stevens
estevens@nwbusiness.org
Mark Bepler
mbepler@nwbusiness.org

Southwestern Washington/
North Oregon
Jim Bright
jbright@nwbusiness.org
Mike Miller
mmiller@nwbusiness.org

Continued Significant Changes to the SOP...

Life Insurance Requirements:

Life Insurance is required for all proprietorships, single member LLCs, or for businesses otherwise dependent on one owner's active participation. Amount and Type of collateral available to repay the loan may be considered in determining the appropriate amount of life insurance coverage.

Credit Elsewhere Test:

- ◆ Applicant's ability to obtain a loan on reasonable terms without a Federal government guarantee
- ◆ Applicant's ability to obtain funds from the resources of the applicant business
- ◆ Sources related to the Applicant:
 - ◇ Liquidity of owners, spouses guarantors, associates and the applicant business.
 - ◇ Owners of 10% or more are subject to a liquidity assessment via a Personal Financial Statement.
- ◆ Sources unrelated to the Applicant:
 - ◇ Includes conventional lenders or other sources of credit (i.e. a commitment from a franchisor)

Leasing a Portion of the Project Property:

The Borrower may NOT lease any property to any business engaged in any activity that is illegal under federal, state or local law (i.e. Marijuana Dispensary) during the life of the loan.

Character Evaluation Process:

When an applicant fails to provide the requested information, the chance of a loan being declined increases based on character. Derogatory information about an applicant's past is rarely cause for disqualification unless it is not disclosed and is later discovered by SBA.

Appraisals:

SBA increased the threshold for the acceptable minimum appraised value from 90% to 95% of estimated value without requiring a reduction in the debenture or additional investment from the Borrower.

Emerging Leaders Class

Learn how to grow your business

In the month of January, NWBDA helped **create 50 new jobs** in the local communities!



Follow us on Twitter!
@NorthwestBDA

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NWBDA
NORTHWEST BUSINESS DEVELOPMENT ASSOCIATION

Training Overview:

Beginning in April, these free classes last approximately 7 months and participants are given the opportunity to work with mentors, attend workshops, and network with peers, city leaders, and the financial community.

Participants will engage in focused development and expansion strategies, including options for accessing new capital and securing government contracts.

Do I qualify to participate?

This training is for established business owners and is not for startups or people thinking about starting a business. This class is open to small business owners that have an annual revenue of at least \$400,000, have been in business for at least 3 years, and have at least one employee, other than themselves.

Sign up for the emerging leaders at www.interise.org/sbaemergingleaders
Classes in Spokane and Seattle, WA, Portland, OR and more!

January's Loan Approvals

NWBDA approved 5 new projects for the total amount of **\$7,412,900.00**

January's Loan Fundings

NWBDA funded 5 new projects for the total amount of **\$8,770,498.01**

Achieving BIG Dreams for SMALL Businesses