

## Why SBA 504?

"At Business Loan Capital, we are strong supporters of the SBA 504 Loan Program because we believe it provides the most stable loan structure to small businesses. With the fixed rate debenture and high LTV, small businesses can plan for the future and preserve capital for use in their business. Whether they are planning to purchase a new building, or expand operations, stability will be the cornerstone of those decisions, and the 504 Loan Program provides exactly that. As we all know, as small businesses grow, so grows the economy!"

David J. Manser  
EVP - Director of  
Commercial  
Lending  
Business Loan  
Capital

Business Loan Capital is just one of many valued banking partners that AmPac Tri-State CDC closes loans with to provide financing to small businesses.

But what makes the SBA 504 a "win-win" for borrowers and bankers alike?

As part of its mission to promote the development and growth of businesses, the SBA offers a number of different loan programs. The SBA 504 program provides long-term, fixed-rate financing for businesses acquiring new facilities or purchasing equipment to update existing locations. Since it is fixed-cost and long-term as well as SBA-backed, the 504 is one of the best financing options available for small business owners today.

For borrowers the SBA 504 offers:

- Lower down payments than conventional financing, which allows business owners to keep more cash for working capital
- Payments are lower because the loan terms can last as long as 10 or 20 years.
- Below market interest rates, which are fixed for the entire term of the loan
- Closing costs and fees are included in the financing of loan, not out-of-pocket

For banking partners, the SBA 504 offers:

- Reduced collateral risk as banks are lending at a lower loan to value ratio.
- Excellent flexibility for bank's balance sheet as banks advance only 50% of project
- Increased numbers of happy customers because you support this flexible financing option
- Community Reinvestment Act credit eligibility on most projects

Mercy Moreno, the owner of Casa Moreno Mexican restaurants and Citrus Grille used the SBA 504 loan to purchase two buildings for her expanding business. The restaurants support approximately 60 jobs. "My mission," she says, "Is helping other people, especially instilling confidence in young women, which is what I needed to pursue my dreams."

The SBA 504 loan not only helps business owners achieve dreams, but also supports the growth of our economy.

*For more information about the SBA 504 and how it works, call AmPac at [909-917-1506](tel:909-917-1506).*