



Interest Rate on SBA 504 Loans Declines to Record Low

NADCO, the trade association for the nation's Certified Development Companies (CDCs), reports that the interest rate for a 20-year SBA loan has hit a record low for the projects funded in April 2009. The April debentures that funded this month's SBA 504 loans were sold to investors at an interest rate of 4.31% (Debtenture Rate). That low rate, coupled with the new fee reductions provided by the Congressional stimulus bill, led to an effective interest rate—including services fees—of only 5.25% this month.

Chris Crawford, NADCO President, commented, "This is truly an historic opportunity for access to long term capital for small businesses right now. The low rate that the 504 debentures sold for this month is added to the stimulus bill fee reductions and the continuation of the elimination of the SBA's borrower fee for this year. All these factors make the interest rate for SBA 504 loan the lowest it has ever been for small business borrowers. This is an incredible rate for a 20-year, fixed rate commercial loan with as low as a 10% down payment.

"NADCO was instrumental in convincing Congress to eliminate fees on SBA 504 loans as a way to provide new low cost opportunities for small businesses to invest in their own facilities. With these historical low rates, and no up-front fees, now is the time for business owners to consider expansion of their facilities."

If you are aware of a small business that has been considering investing in a building or equipment, please call SCKEDD or encourage the business to call SCKEDD themselves and inquire about a 504 loan. The Small Business Administration's (SBA) 504 loan program provides long-term, 10 or 20 year fixed rate financing for commercial real estate and equipment. SCKEDD, a Certified Development Company (CDC) and lending partner of SBA, will work with small business owners to take advantage of these record low interest rates to purchase, build or expand their own facilities.

In addition to the 504 program, SCKEDD also provides small businesses with access to other federal, state and local economic development loan programs. These programs can provide both long and short term funding for borrowers.

Source: Press Release from NADCO dated April 14, 2009.

CONTACT SCKEDD TODAY!

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Monthly Rate Corner

504 Rates based on the most recent Debenture Sale

	<u>"Note Rate"</u>	<u>"Effective Rate"</u> <u>(includes fees)</u>
10-Year *	4.021%	5.072%
20-Year **	4.376%	5.254%

* March 2009 (10-year Debentures sell every other month)

** April 2009

