

PCDfc

THE PENNSYLVANIA COMMUNITY DEVELOPMENT
AND FINANCE CORPORATION



Let PCDfc help Navigate the Road to Small Business Financing with an SBA 504 loan

LARGER LOAN LIMITS

- SBA portion maximum loan limits are \$5.0 million per Operating Company with Affiliates
- \$5.5 million maximum loan limits for Manufacturers and Projects Utilizing SBA Energy Efficiency Goals.

SBA – GREAT BENEFITS

With the SBA 504 Loan, entrepreneurs can purchase real estate, finance equipment and tenant improvements, and finance all soft costs, including appraisals, architectural drawings and related costs.

SBA also offers financing programs for working capital, inventory, business acquisitions, and debt refinancing.

LOW DOWN PAYMENT & ENHANCED CASH FLOW

- Down payments as low as 10%.** Lower down payment requirements than conventional loans.
- Financing for up to 90% of project costs enables the entrepreneur to conserve working capital and keep cash in the business to meet operating needs.

LONG TERM FINANCING AT COMPETITIVE INTEREST RATES

- Real estate financing is 25-year, fully amortized
- Equipment* and tenant improvement financing with SBA 504 loans is 10–25 year fully amortized (*Equipment terms based on economic life of equipment.)
- Small business owners enjoy longer terms, thus lower monthly

PREDICTABLE MONTHLY PAYMENTS

- SBA 504 financing allows business owners to accurately project mortgage costs with a 25-year fixed interest

THE LOAN BREAKDOWN

PCDFc finances up to 40% of the project costs and takes a second mortgage position, while the small business owner provides an equity injection that can be as low as 10%.**A bank or other lender typically finances 50% of the project cost and takes a first (lien) position on the assets financed. PDfc works with a diverse array of lenders who can put together competitive market rates for their share of the project.

EXAMPLE OF FINANCING A TYPICAL \$1 MILLION PROJECT COST FOR PROJECT

Acquisition of Building	\$800,000
Renovations	\$180,000
Soft Costs (i.e. Appraisal, Architect fees, Closing Costs)	\$20,000
TOTAL:	\$1,000,000

Borrower 10%** - \$100,000
CDC/SBA 40% - \$400,000
Bank 50% - \$500,000

PROJECT FINANCING ENTITY	LOAN AMOUNT	% OF PROJECT	SECURITY
Bank	\$500,000	50%	1st Lien
CDC/SBA 504 Loan	\$400,000	40%	2nd Lien
Borrower Down Payment	\$100,000	10%**	
TOTAL	\$1,000,000	100%	

**An additional 5-10% equity injection is required for start-up businesses and certain purpose buildings (i.e. car wash, hotel).

ELIGIBLE USES

- Building Acquisition, Expansion & Construction
- Land & Site Improvements
- Machinery & Equipment
- Leasehold Improvements
- Debt Re-financing in conjunction with an eligible project
- Professional Related Costs, Fees & Interim

ELIGIBLE APPLICANTS

Most businesses qualify.

Key requirements:

- For profit business
- Together with its affiliates, have a tangible net worth of less than \$15 Million and proftt after taxes of less than \$5.0 Million.
- Must occupy at least 51 percent of the property or existing business or 60 percent for newly constructed building
- All owners of 10% or more of the business are required to guarantee




LOCATION:


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