

SMALL BUSINESS JOBS ACT:

504 LOAN PROGRAM DEBT REFINANCING.

The new federal program, signed into law five months ago to help small businesses refinance the mortgages on their buildings, *gets the go ahead!* The regulations and policy notices will be released shortly.

NWBDA is **now accepting** applications for **Phase I** of the program beginning 2/28/11. Phase I is for loans that mature by 12/31/2012. **IMPORTANT:** The Refinance Debenture **MUST FUND WITHIN 6 MONTHS!** Eligibility requirements for the 504 Debt Refinance Program include:

- Loan proceeds must be for debt refinancing only.
- No federally insured loans are eligible for refinancing.
- Debt held by your institution may be eligible.
- The business and loan to be refinanced must have been in existence for 2 years.
- Borrower must have been current on the loan for the last 12 months, transcripts required.
- Can loan up to 90% of market value of building based on an appraisal within the last 6 months. Loans over 90% may be eligible.
- The rates on these loans will be approximately .294% higher than a conventional 504 loan.
- There is a job retention requirement.
- At least 85% of the loan proceeds must have originally been eligible for the SBA 504 program.
- Project property must be at least 51% owner occupied.

Additional eligibility requirements apply so please contact our office or **your local NWBDA Business Development Officer.**

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The SBA will be announcing additional phases to this debt refinance program ... so please stay tuned.