

## SBA 504 Interest Rates

	<u>10 Year</u>	<u>20 Year</u>
March 2011	4.894%	5.941%
April 2011		5.900%

- ◆ The interest rates posted are for those borrowers who have received an SBA Authorization on or after October 1, 2011
- ◆ Contact SEDC for the effective interest rates for borrowers who have received an SBA Authorization

Contact any SEDC staff member to discuss financing options for your project.

Below is a list of the SEDC projects that have had recent loan closings.

### Spotlighting Our Activity Report

FYE Oct. 1, 2010—March 31, 2011

<b>Location</b>	<b>Industry</b>	<b>Total Project Costs</b>	<b>SBA/SEDC Funds</b>	<b>SBA/SEDC Program</b>
Lake View, IA	Hotel	\$ 1,500,000	\$ 450,000	504
Hawarden, IA	Seed & Ag Chemicals	\$ 193,150	\$ 77,260	504
Spirit Lake, IA	Custom Fabrication	\$ 56,000	\$ 14,000	RLF
Sioux City, IA	Publication of Local Interest Magazine	\$ 30,000	\$ 30,000	Microloan
Carroll, IA	Nursing Home	\$ 3,080,000	\$ 1,078,000	504
Marshalltown, IA	Nursing Home	\$ 2,600,000	\$ 903,000	504
Bronson, IA	Mfg. and Sale of Furniture Systems	\$ 300,000	\$ 120,000	504
Spencer, IA	Construction Contractor	\$ 738,300	\$ 295,320	504
Storm Lake, IA	Truck Repair & Accessory Sales	\$ 336,000	\$ 134,400	504
Orange City, IA	Sale of Veterinary Supplies	\$ 400,000	\$ 160,000	504
Paulina, IA	Dairy	\$ 14,056,470	\$ 1,948,000	504
Orange City, IA	Scissor Lift Manufacturing	\$ 1,476,000	\$ 590,400	504
	<b>TOTALS</b>	<b>\$ 23,265,920</b>	<b>\$ 5,350,380</b>	

**SBA 504 Program**

Maximum Amount: \$5,000,000 (\$5,500,000 in certain situations)  
Use of Proceeds: Fixed Assets (land, building, equipment)  
Interest Rate: Fixed for the life of the loan  
Term: 10 or 20 years based upon economic life of the assets financed  
Typical Structure: 50% Bank, 40% SBA 504 Debenture, 10% Local Equity Injection (15% or 20% equity injection is required in certain circumstances)  
Fees: One time fee of approx. 3% of the loan (capitalized as part of the loan).

**RLF (Revolving Loan Fund)**

Maximum Amount: The lesser of \$100,000 or 25% of the total project cost (term loan for the borrower)  
Use of Proceeds: Fixed Assets or Working Capital  
Interest Rate: 2% fixed below primary lender's rate  
Term: Must match life of financed assets  
Typical Structure: 65% Bank, 25% RLF, 10% Equity Injection  
Fees: One time fee of 1% of the RLF loan, an annual fee of 1/2% of declining RLF balance, and all loan closing costs.

**SBA Microloan**

Maximum Amount: \$35,000  
Use of Proceeds: Working capital, inventory, fixtures, leasehold improvements, and equipment  
Interest Rate: Currently 10% fixed  
Term: Maximum maturity of 6 years  
Typical Package: 100% Microloan  
Fees: \$20.00 credit report fee and all loan closing costs



From L to R: Jackie, Dean, Denise, Ken, Becky and Adam

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