

## Who We Are

South Eastern Economic Development (SEED) Corporation is a nonprofit corporation certified by the United States Small Business Administration (SBA). SEED is also a Community Development Financial Institution (CDFI) under the U.S. Department of Treasury.

SEED was set up in 1982 to improve the economy of the region by helping small businesses get started, grow and create jobs. Under the SBA 504 Program, SEED serves small businesses in all of Massachusetts and most of Rhode Island.

SEED can provide up to 40 percent of the financing needed, behind a bank, for the purchase of buildings and equipment with a life up to 10 years. Under the SBA 504 Program SEED makes loans ranging from \$120,000 to \$5 million for most businesses, and \$5.5 for manufacturing businesses. SEED's small loan program, which can compliment an SBA 504 loan, can range from \$1,000 to \$250,000.

**For projects smaller than \$400,000, SEED can make a direct loan in second position to a participating bank. These loans can be amortized up to 20 years, and have a current interest rate of 5% fixed.**

## Our "504" Team

**SEED's 504 Lending Team consists of three Business Development/Commercial Loan Officers, two Commercial Credit Analysts, and one Commercial Loan Administrator.**

**Contact our loan officers with your 504 questions:**

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**SEED**  
CORPORATION | SOUTH  
EASTERN  
ECONOMIC  
DEVELOPMENT

## SBA 504 Program

### Real Estate & Equipment Financing

*For Your Business*

## SBA 504 Lender

*Massachusetts & Rhode Island*



## Buy

### SBA 504 LOAN PROGRAM

**Commercial real estate and equipment financing-Below-market, long-term, fixed interest rates**

**Eligible businesses include:** For profit retail, wholesale, services, and manufacturing businesses with a tangible net worth not more than \$15 million and an average net profit, after taxes, not more than \$5 million in the last two operating years

#### **Use of Loan Funds:**

- Buy land and construct or improve owner-occupied commercial and industrial buildings (minimum 51% occupancy)
- Buy and install heavy machinery and equipment with a life of 10 years
- Allowance for some furniture and fixtures; and soft costs such as an appraisal, environmental report, architectural and engineering fees, and interim interest

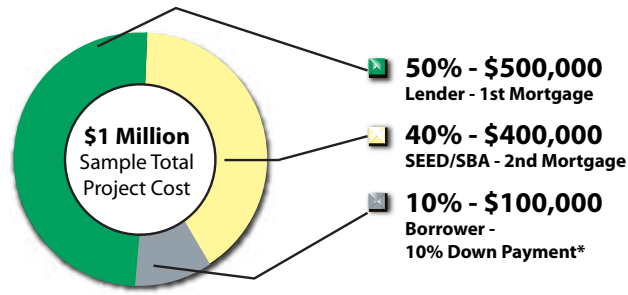
### SBA 504 REFINANCING

- Existing real estate and equipment debt in place for at least two years, and current for the past year
- Eligible business expenses up to 25% can be included
- Debt cannot be federally funded or guaranteed



## Construct

### LOAN STRUCTURE



\* 15% for start-up business or special purpose building; 20% for both start-up and special purpose.

### A 504 Loan Has Three Participants:

- 1. Financial Institution-** Participates for as little as 50% of the loan amount, at competitive rates and terms due to limited exposure on the project.
- 2. CDC-** SEED's SBA 504 loan finances up to 40% (up to a maximum of \$5.5 million).
- 3. Company Cash Down-** Borrower generally contributes a down payment of at least 10%, freeing additional cash for other business purposes (15% for start-up business or special purpose building; 20% for both start-up and special purpose).

**99% of all U.S. businesses meet the SBA definition of a small business**

**SBA 504 loans are structured with fully amortized 10- and 20- year terms and carry a lower-than-market interest rate.**



## Improve

### KEY ADVANTAGES

- Preserves more capital by lowering down payment requirements with up to 90% loan financing of total project;
- Less impact on cash flow with terms up to 20 years and ability to include soft costs in the financing;
- Low interest rates on machinery and equipment fixed for 10 years;
- Reliance on reasonable projections (This is particularly advantageous if your business is growing);
- No application fee; 504 program fees are rolled into the SBA loan; and legal fees can also be included;
- Knowledgeable and experienced staff in your region; get fast answers and project pre-qualification;
- Simultaneous bank closing and SBA 504 closing on turnkey projects;
- SEED can provide small loans up to \$250,000 for working capital and other needs to compliment an SBA 504 loan.

### GETTING STARTED

- ✓ Signed Purchase & Sale Agreement;
- ✓ Business tax returns for 3 years;
- ✓ Interim financial statement no older than 120 days;
- ✓ Personal Financial Statement and 2 years tax returns for principals with 20% or more ownership.