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FOR IMMEDIATE RELEASE

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SBA 504 Loan Interest Rate Drops Below 5% for Small Business Borrowers

The [Small Business Administration's](#) (SBA) [504 loan program](#) is providing long-term, fixed rate financing for the purchase of commercial real estate at one of the lowest interest rates since the program's inception. The SBA's lending partners, Certified Development Companies (CDCs) are busy working with small business borrowers who are taking advantage of this current low interest rate to [purchase or build new facilities](#).

[NADCO](#), the trade association for the nation's Certified Development Companies (CDCs), reports that the interest rate for a 20-year SBA 504 loan continued to fall to a low of 4.93% this month. The August bond sale to investors that funded SBA loans was sold at a rate of 3.52%. This low sale price resulted in an effective interest rate – including fees – of only [4.93%](#) for borrowers this month. This interest rate is one of the lowest since the program began in 1986.

The Small Business Administration's (SBA) 504 loan program provides long-term, fixed rate financing for commercial real estate, and has funded nearly \$60 billion in loans to growing small businesses over the past 24 years. Not only are the interest rates low right now, but one best aspects of an SBA 504 loan is the low down payment required by a borrower. The down payment is typically only [10%](#). CDCs across the country are busy helping small business borrowers who are taking advantage of these record low interest rates to purchase, build or expand their own facilities.

Recent loan data has shown that a large percentage of SBA 504 borrowers are professional practices. The greatest concentration of loans has been to physicians, dentists, veterinarians, lawyers and accountants. Chris Crawford, NADCO President, observed, "It's not surprising that accountants and lawyers recognize the benefits of SBA 504 loans, but it's gratifying to see so many professionals also realizing that owning their own building to fix their business

occupancy costs is a very savvy financial move. More business owners would be wise to make similar investments.”

Julie Parker, Lakeshore 504 Program Director, commented that "This is an incredible time to purchase real estate or to expand existing facilities. A commercial loan below 5% is an incredible rate for 20-year, fixed-rate money. When you consider the drop in the price of commercial real estate and the inventory currently on the market, small businesses have a real opportunity to expand or buy a building. We would urge any small business that would like more information to call our office.”

About Lakeshore 504

Lakeshore 504 is a community based development organization that is dedicated to the promotion of small business expansion and job creation through SBA's 504 Loan Program. Lakeshore 504 has been providing healthy small and medium-size businesses with long-term fixed rate financing for the acquisition or construction of fixed assets for 25 years. Lakeshore 504 has unique relationships with the Holland Area Chamber of Commerce and The Chamber, Grand Haven, Spring Lake, Ferrysburg with all profits going back into the community. In addition, Lakeshore 504 has partnerships with other area chambers and economic development agencies such as the Grand Rapids Area Chamber of Commerce, Muskegon Area Chamber of Commerce, Cornerstone Alliance in Benton Harbor, Lakeshore Advantage in Zeeland, Newaygo County Economic Development Office, and the Kalamazoo Area Chamber of Commerce. These organizations and the communities they serve also benefit financially through their relationship with Lakeshore 504.

For more information about Lakeshore 504, please contact Julie Parker at jparker@lakeshore504.org; visit the web site at www.lakeshore504.org , via phone at 616.392.9633.