



Monthly Interest Rates and Other 504 News

December 2016

December 2016 Interest Rates

20 Year Standard

4.59%

20 Year Refinance

4.64%

10 Year Standard

4.34%

10 Year Refinance

4.39%

SBA Makes Improvements to 504 Debt Refinancing Program Requirements!

EDF is please to announce that SBA recently made improvements to the 504 Debt Refinancing Program that was recently launched. A summary of the changes are as follows:

1. **Eligibility - New Business.** SBA now allows for de minimis changes in ownership during the required two year period of operations for 504 refinance eligibility.
2. **Loan-to-Value Limitations for Financing of Business Operating Expenses.** Business Operating Expenses increased from 75% LTV to 85% LTV. This change to 85% LTV allows for a 10% increase from the original 75% LTV, with a maximum of 25% being related to "business operating expenses".
3. **Appraisals.** Appraisals are not required at the time of application, but now can be dated 12 months before the application approval date instead of 6 months.
4. **Option to use Interim Loan or Escrow Account for same institution debt.** This change gives the flexibility for same institution debt to utilize an interim loan as an alternative to an escrow account.

Want to learn more about the 504 Debt Refinancing Program? EDF would love to do an on-site presentation for your lenders. Please email Kyle at Kyle@growmichigan.com to schedule a time our call our office at (616) 459-4825.

FEATURED FUNDING

Tool N Die, Inc.

EDF recently partnered with West Michigan Community Bank to assist Tool N Die, Inc. to move their growing operations from their personal residence into a new commercial building located in Wayland, MI. Tool N Die, Inc. formed in 2014 is owned by Daniel Dutkiewicz and Dennis Myers. This company designs and builds quality metal stamping dies.

"We appreciated all of the help and support we received from EDF to obtain our SBA 504 loan, which in return let us focus on growing our Tool and Die business,"

***Dennis Myers
Tool N Die***

Bradd Pierce at EDF worked with Jeremy Deutschmann of West Michigan Community Bank, Dan and Dennis' lender, to finance the construction of their building. The 504 loan was the perfect solution for Tool and Die, Inc. as they were able to lock in a low interest rate for 20 years, and because they are a newer company, they were only required to put 15% down. Their new location will allow them to bring both production and the try-out/buy-off process in-house, which were previously out-sourced and a critical component of their business. "We appreciated all of the help and support we received from EDF to obtain our SBA 504 loan which in return let us focus on growing our Tool and Die business," said Dennis Myers

To learn more about the benefits of the 504 Loan or how EDF can assist you or your clients, please visit our website at growmichigan.com or call our office at (616) 459-4825.



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