

Newsletter

Significant SOP Changes

SBA 504 Effective Rates for March 2019

25-year - 4.74% / 4.77% Refi ~ 20-year - 4.59% / 4.62% Refi ~ 10-year - 4.63% / 4.83% Refi

SBA has recently released a new Standard Operating Procedure (SOP), version 50 10 5(K), which will become effective April 1, 2019. Below are some of the more notable changes.



“Energy” Public Policy Goal change: Increased the amount of energy that a project must generate to **15%** as opposed to current offset of **10%**.



Residential facilities Healthcare Change: Residential facilities that are licensed businesses such as nursing homes or assisted living facilities that do **NOT** provide healthcare and/or medical services are **NOT** eligible for the 504 loan program.



Occupancy at Closing/Funding: The closing and funding of a 504 loan must not take place until the borrower is occupying the required amount of the project property and the borrower is operating from the project property.



100% Ownership: 100% of ownership now needs to be disclosed for the Operating Company(s) and the Eligible Passive Company.



Incorporated previously released policies:

- Permissible Refinance without Expansion
- Marijuana may not be a part of the 504 loan program
- 25-Year Debenture Release
- Liquidity Review Increase from 10% to 20%

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Clarified National Register of Historic Places: New places have been added to the National Register of Historic Places; loans with a Historic Place must be pre-approved by SBA.



New Section on Escrow Closing: A section has been added to the SOP on Escrow Closing vs Interim Lending, although it is not available yet. Watch for more news about this addition.



Government Employee Ownership: If there is an owner of 10% or more who is a government employee that has a paygrade of GS-13 or higher, then the loan must be submitted for pre-approval by SBA.

Small Business Mentor and Counseling Programs

Women's Business Centers (WBCs) are part of a nationwide network that provides business training, counseling and other resources to help women start and grow successful businesses.

Small Business Development Centers (SBDCs) help entrepreneurs realize their dream of business ownership, and SBDC counselors can help businesses remain competitive in an ever-changing global economy.

SCORE is the nation's largest network of volunteer business mentors. These business executives share real-world knowledge at no cost and fit your busy schedule. SCORE mentors are available as often as you need in person, via email or over video chat.

Veterans Business Outreach Centers provide entrepreneurial development services such as business training, counseling and resource partner referrals to transitioning service members, veterans, National Guard & Reserve members and military spouses interested in starting or growing a small business.

Find a program near you: <https://www.sba.gov/local-assistance/find/>

February's Loan Fundings

NWBDA funded **4** new projects for the total amount of **\$17,873,211.43**

February's Loan Approvals

NWBDA approved **6** new projects for the total amount of **\$24,110,800.56**

In the month of February, NWBDA helped **create 41 new jobs** in the local communities

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