

LOANS

1. Working Capital Loans

Loans are not initiated at the SBA offices. The majority of SBA-Guaranteed working capital loans are initiated through the Business Banking departments of lenders such as those listed at the end of this section. Contact your bank of choice directly.

2. Real Estate Loans

Loans for the purchase of buildings are packaged through CDC Small Business Finance. Experience is also required and the building must at least 51% owner-occupied. These loans are not available for non-owner-occupied real estate investors. Contact the CDC as noted at the end of this section. While the CDC specializes in this type of loan, they are available to assist you with packaging other types of SBA-guaranteed loans.

3. Start-up and Existing Business Loans to \$50,000

CDC Small Business Finance can assist you with this type of loan. The loan is based on your FICO credit score, historical cash flow and business plan.

A. Specifications

Loan amounts of \$5,000 to \$50,000

7-year term unsecured

Interest rate

Prime plus 4.75% adjusted quarterly for loans to \$25,000.

Prime plus 3.75%, adjusted quarterly for loans from \$26,000 to \$50,000

No collateral

No prepayment penalty

Processing fee: \$425.00

SBA Guaranty Fee: 2% of guaranteed portion

(Processing and Guaranty Fees deducted from loan distribution)

SBA guarantees 85% of loan amount

B. To Determine Your Eligibility

(Left-click on any listed website to open)

FICO score should be 650 or higher

To obtain credit score, go to www.annualcreditreport.com (cost is approximately \$7.00)

Print out a record for your file.

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Qualifying Issues

Borrower must have approximately 10% of the loan amount in equity.
(This is explained more fully on the loan application)

Borrower's liquid assets cannot exceed \$100,000
(IRAs, homes excluded)

Franchises may qualify

Go to <http://www.franchiseregistry.com/registry/> for additional information.

Ineligible businesses

Agricultural (growing crops)
Fishing and shore industries
Medical facilities (includes ALF and nursing homes)
Mines (includes sand and gravel)
Business in foreign country
Religious businesses
Products or service of sexual nature

C. Application Procedure

Keep this page available to you for assistance in completing the application.
(Left-click on websites as necessary)

1. If you meet the requirements listed above, contact Susan Lamping at CDC at 619-243-8639

2. Frequently asked questions regarding the application

Website: www.borregospringsbank.com/sba_cap.asp

Source Code = CA140

SBA Branch = San Diego

NAICS code

(go to <http://www.census.gov/epcd/naics02/>)

Low to moderate income areas, or

(go to <http://www.ffiec.gov/geocode/default.htm>)

Hub Zones

(go to <http://map.sba.gov/hubzone/init.asp#address>)