

June 2011 - 504 Rates  
20 Year 5.94%  
10 Year 4.85%

## Our Team

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## CWFSI 2010-2011

YTD-Fiscal Year Stats (July 2010 - June 2011)

### Funded 19 Loans

Totalling \$7,933,000  
Partnering Banks \$10,846,985

### Approved 14 Loans

Totalling \$8,088,000  
Partnering Banks \$10,623,810

*Helping Create 104 new jobs in Marion,  
Lane & Benton Counties*

### 504 Loan Program Basics

**Purpose:** Economic Development that stimulates private sector investment helps create new jobs and/or saves existing jobs, business expansion and start ups

#### Eligibility Criteria:

- Legal entity - corporation, partnership, sole proprietor, limited liability company.
- Located in the United States.
- Net worth under \$8.5 million and net profits under \$3 million.
- Participation by another lender who finances up to 50% of project costs.
- Economic development goals must be achieved through the project financing.
- Owner-user of the project being financed must occupy at least 51% of the property for an existing building or 60% of a newly constructed.

## SBA-504 Hotel Loan Program

The 504 loan program has a new program for commercial property owners who had taken losses during the recession (2008 & 2009), but have returned to profitability during 2010 & 2011. This program could be ideal for Hotel owners looking for funds to refinance a Hotel loan or acquire additional properties. Using the 504 program combined with the Green loan program for energy efficiency & sustainability can increase the available loan amount significantly.

- The loan must meet the SBA 504 eligibility requirements, which means for refinance you must currently have a balloon payment due on or before December 2012.

#### Basic Eligibility

- **Credit Score:** there is no minimum, but a score of 600 or better is preferred.
- **Loan to Value:** up to 90% (50% partnering bank, 40% SBA program funds)
- **Loan Amount:** Min \$1,000,000/ Max \$12,000,000
- **Debt Service Ratio:** 1.35x or better/ 1.25x preferred
- **Improvements/Renovations/Upgrades:** Allowed, must be completed within 120 days.
- **Occupancy:** No specific minimum occupancy, but transaction must cash flow.

#### Get more by going Green

The SBA "Green" Energy Efficiency & Sustainability program allows small businesses to acquire or build additional properties regardless of 504 eligibility as long as the new building is 10% more energy efficient than current property or properties.

#### Benefits of the program:

- Removes the \$5,000,000 SBA eligibility limit per borrower.
- Hotel owners can acquire, build more properties or possibly refinance current properties using the maximum amount of SBA financing of \$5,500,000 for each project. (this is the amount of the 2<sup>nd</sup> mortgage guaranteed by SBA, other lending partner for 1<sup>st</sup> mortgage still required)
- You can use the program to finance renewable and green energy equipment.

#### How to qualify if you own or lease a building now:

- If you lease or own a building now & finance another building that is 10% more energy efficient than the current building.
- If you lease a building and have decided to purchase the property and make it more energy efficient.
- If you lease or own a building and you build a new property that is 10% more energy efficient.

*There are additional requirements if you do not currently own or lease a property, check with your loan officer for additional information.*

For more information on energy efficiency loans visit <http://www.sba.gov/energy>  
The Energy Star website can help you identify products to improve energy usage  
<http://www.energystar.gov>

*For more information, contact one of our Loan Officers.*