



CDCs: Growing Small Businesses, Jobs, Communities

April 16, 2010

New Funding for 504 Fee Offsets



Latest News

SBA 504 Program in the News

I am very pleased to report that we have just been informed of the passage of HR 4851 last night by both Houses of Congress. This bill is being sent to the President for his signature today, which we will confirm as soon as possible.

The bill appropriates an additional \$80 million for fee offsets for both the 504 and 7(a) loan guarantee programs. There is no expiration date for use of these new funds. These funds will be used by SBA to offset both the 504 bank fee on the first mortgage and the CDC processing fee for the guaranteed second mortgage.

The bill also extends the 7(a) 90% guarantee through May 31, 2010.

It should be noted that we were within only a few days of exhausting the \$40 million appropriated earlier this month by Congress, so passage of this bill was critical for maintaining these fee reductions for your borrowers.

We want to thank both the Senate Small Business Committee leadership (passed the Senate by 59 to 38) and the House Small Business Committee leadership (passed the House by 289 to 112) for their support of this funding that will reduce the cost of the loan program for our small business borrowers.

We also want to recognize and thank SBA Administrator Karen Mills for her continuing extraordinary support of the loan programs and her efforts to keep program costs to a minimum.

Should further information become available today, I will send another email to you asap.

Chris Crawford
President/CEO
chris@nadco.org
703-748-2575

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