



REFINANCE WITH SBA 504 - CASH-OUT FOR WORKING CAPITAL

THE U.S. SMALL BUSINESS ADMINISTRATION HAS RELEASED THE FINAL RULE ON THE REFINANCE OF EXISTING DEBT AND ADDED A PROVISION TO PROVIDE CASH-OUT FOR WORKING CAPITAL. AS A RESULT OF THESE PROGRAM CHANGES, SMALL AND MIDDLE MARKET CUSTOMERS WILL BE ABLE TO REFINANCE EXISTING DEBT AND RELEASE EQUITY IN REAL PROPERTY TO PROVIDE WORKING CAPITAL.

THE FUNDS MADE AVAILABLE TO THE BUSINESS UNDER THE CASH OUT PROVISIONS CAN BE USED TO PAY ACCRUED BUSINESS EXPENSES (INCLUDING BALANCES ON EXISTING LINES OF CREDIT) AND PROJECTED EXPENSES TO BE ACCRUED OVER THE 18 MONTHS FOLLOWING THE APPLICATION.

EMPIRE STATE CDC IS COMMITTED TO PROVIDING THE BROADEST POSSIBLE ACCESS TO THIS PROGRAM AND IS PLEASED TO ANNOUNCE SPECIAL PRICING AND ADVANTAGES FOR OUR LENDING PARTNERS.

SPECIFICALLY, WE ARE OFFERING THE FOLLOWING AS INCENTIVES TO PROMOTE THIS LIMITED TIME OPPORTUNITY AS APPLICATIONS MUST BE APPROVED BEFORE SEPTEMBER 27, 2012 –

- **EMPIRE STATE CDC WILL PAY THE THIRD PARTY LENDER FEE ON BEHALF OF THE LENDER – A SAVINGS OF 50 BASIS POINTS ON THE FEE ASSOCIATED WITH THE FIRST MORTGAGE / LIEN.**
- **THE SERVICING FEE WILL BE REDUCED TO THE LOWEST AMOUNT AUTHORIZED BY THE SBA – 62.5 BASIS POINTS.**
- **THE PROCESSING FEE (CURRENTLY 150 BASIS POINTS) WHICH IS ADDED TO THE LOAN AMOUNT AND FINANCED AS PART OF THE GROSS DEBENTURE WILL BE REDUCED AS FOLLOWS –**
 - **NET DEBENTURE \leq \$1 MILLION = 100 BASIS POINTS**
 - **NET DEBENTURE \geq \$1 MILLION = 75 BASIS POINTS**

FINALLY, AS THIS IS AN ECONOMIC DEVELOPMENT PROGRAM, EMPIRE STATE CDC WILL DONATE \$500 TO A NOT-FOR-PROFIT FOOD BANK SERVING THE BORROWER'S AREA UPON FUNDING OF THE LOAN.

PLEASE GO TO OUR WEBSITE (WWW.NYBDC.COM) FOR DETAILED INFORMATION ON ELIGIBILITY AND LOAN STRUCTURE.