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## **Ask for money! Please!**

A local Small Business Administration lender is encouraging businesses to apply for loans for energy efficiency and renewable energy expenses.

**CDC Small Business Finance**, which says it has provided more than \$5 billion in SBA 504 loans and other funding, is urging companies to apply for Green 504 loans. The SBA has recently doubled the amount allowable for its 504 loan programs to \$4 million for companies that reduce their energy consumption or generate renewable fuels.

To qualify, companies will have to cut their energy use by 10 percent by installing more efficient heating and air conditioning systems, improved insulation, new lighting or other improvements.

They can also qualify for up to \$4 million by making energy from renewable sources such as wind, solar, biomass, hydropower and geothermal.

The new SBA 504 opportunities are the result of the Energy Independence & Security Act of 2007. It “creates new opportunity for small-business owners who want to buy their own building and build equity,” said Kurt Chilcott, president of CDC Small Business Finance, in a news release.

An SBA 504 loan typically requires a 10 percent cash payment, lower than conventional commercial loans. Most are used to buy office, retail or industrial buildings. Fixed-rate loans finance 40 percent of the total purchase. A bank or other lender provides the other 50 percent. The Green 504 program enables small businesses to buy buildings valued at up to \$10 million.

**CDC Small Business Finance provided financing totaling more than \$108 million in the Sacramento area in 2008.**