

Helping Business Take the Next Step

Montana Community Finance Corporation (MCFC)

PO Box 916
Helena, MT 59624

Toll free
866.443.3261
or
406.443.3261

Fax
406.449.5678

MCFC Staff

Linda Kindrick,
Executive Director
linda@mtcommunityfinance.org

Jo Ann Jones,
Portfolio Servicing Manager /
Loan Underwriter
joann@mtcommunityfinance.org

Sherry O'Donnell,
Loan Closing Officer
sherry@mtcommunityfinance.org

Lesley Gallagher-Tolon,
Servicing / Loan Closing Officer
lesley@mtcommunityfinance.org

MCFC Doesn't Just Do Real Estate Loans!

The SBA 504 loan program is not just for real estate. It can be used to finance machinery and equipment acquired by a small business for use in its operations.

The machinery and equipment must be a fixed asset with a useful life of at least 10 years. All costs associated with the purchase, transportation, dismantling or installation of the machinery and equipment are eligible for the financing.

The financing structure is similar to the real estate structure, providing up to 90% financing with a 10% contribution from an existing business. The contribution increases to

15% if a new business or special purpose, or 20% if both apply. If they are upgrading their machinery and equipment, they may use the "trade in" allowance given on the old machinery and equipment as part of their contribution.

The 90% financing is typically 50% from a financial institution and 40% from MCFC/SBA. The financial institution term must be for at least 7 years and the MCFC/SBA loan term is 10 years.

There is a minimum project cost of \$55M but there is no upper limit. MCFC/SBA's

portion of the financing can go up to \$1.5MM for regular 504 loans, \$2MM when a public policy goal is met or \$4MM if a manufacturer.

The 10-year overall effective interest rate for machinery and equipment loans in November 2009 was 4.15% - the lowest in program history!

Do you know a small business that should take advantage of the historically low rates for a machinery and equipment loan?

Give us a call:
1-866-443-3261

Lender's Recognition

The financing for the SBA 504 loan program is a partnership between the financial institution, MCFC/SBA and the small business. So far this year, the financial institutions we have worked with in obtaining loan approvals are:

Valley Bank of Helena
First Security Bank (Bozeman)
First Interstate Bank (Missoula)
Basin State Bank
Big Sky Western Bank (Bozeman)
Bank of Butte
Farmers State Bank (Hamilton)

Thanks to these lenders we have helped nine (9) small businesses expand in Montana!

SBA 504 Overall Effective Interest Rates

	20-year	10-year
Jan	6.67%	6.32%
Feb	5.70%	n/a
March	5.60%	5.07%
April	5.25%	n/a
May	5.37%	4.49%
June	5.90%	n/a
July	5.24%	4.37%
Aug	5.39%	n/a
Sept	5.14%	4.26%
Oct	4.86%	n/a
Nov	5.03%	4.15%

Check out our website at:

www.mtcommunityfinance.org