

Business NewsLines

Texas Certified Development Co., Inc.

Summer
2001

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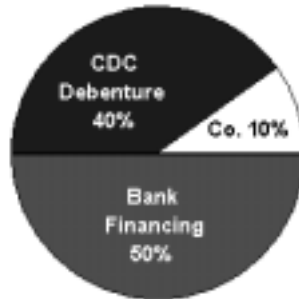
Suzanna Caballero
Washington Mutual Bank

Editor
Agueda (Agatha) Esparza

Congress Increases 504 Debenture

Congress has approved and the SBA has implemented changes to the 504 program that significantly improves the ability of TCDC to meet changing customer needs. The most significant change is an increase in the allowable debenture size from \$750,000 to \$1,000,000 for most projects. The allowable debenture size for projects that meet certain public policy goals, for example minority business development, has increased from \$1 million to \$1.3 million. This is the first such increase in allowable debenture level since 1988.

Practically speaking, this change means that the 504 program can service more customers and larger project sizes. A typical 504 deal can now be structured as follows:



<i>Third-Party First Lien</i>	\$1,250,000 (50% of Project Costs)
<i>TCDC Second Lien</i>	\$1,000,000 (40% of Project Costs)
<i>Borrower Cash Injection</i>	\$ 250,000 (10% of Project Costs)
<i>Total Financing</i>	\$2,500,000 (100% of Project Costs)

Of course, larger project sizes can be accommodated with increased borrower injections and/or higher first lien amounts.

Ebersole Rejoins TCDC as Executive Vice President

Bill Ebersole has returned to TCDC starting August 1st 2001. Bill is a seasoned SBA lender who has joined TCDC to lead its expansion into the Houston and Dallas markets, and to generate increased loan volume. "The market in Texas has become increasingly receptive to 504 lending over the past five years," Ebersole remarked upon rejoining TCDC. "We believe the time is now to expand our operations to meet the increased market demand." Ebersole worked most recently for Heller Financial in Houston, and will continue to be based there.

TCDC President Ernest Perales welcomed Bill back onto the TCDC team. "TCDC has partnered with Bill to implement a new business strategy which we feel will greatly increase our loan volume and our ability to serve both lender and customer needs. I am excited about the opportunities that lie ahead for TCDC."



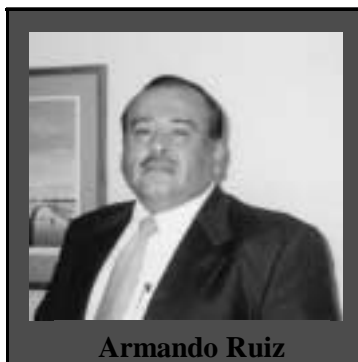
William Ebersole

504 Loan Rate

- Our Current Interest Rate is 6.625%
- Plus Monthly Fees of 1.7%

Ruiz to Open Laredo Office to Better Serve Local Market

TCDC loan consultant Armando Ruiz plans to open a Laredo-based office. Ruiz, based out of Austin, will man the office on a part-time basis. "The Laredo market has been one of our top performers over the years, and I believe that an increase in volume will result from establishing a permanent office," remarked Ruiz on TCDC's decision to set up in Laredo.



Armando Ruiz

Henry Heffler Receives SBA Advocate Award



Henry Heffler

Long-time TCDC Consultant Henry Heffler of Corpus Christi recently was awarded the "Financial Services Advocate of the Year Award" by SBA to recognize his outstanding contribution to the small business community. TCDC congratulates Henry for his achievement. "Henry has an outstanding record of service to small business, and has been a key player in TCDC's success over the years," remarked TCDC Chairman Paul Tovar upon hearing of the award.

Benefits of the SBA 504 Program

The SBA 504 Program offers many benefits to lenders and borrowers. These include:

- Down payments as low as 10%
- 20 year fixed interest rates of 8.5% (as of July 2001)
- Low risk 50% loan to value for third party lenders

Call a TCDC loan consultant today to learn more about how you can benefit from participating in the SBA 504 Program with TCDC.

We are on the Web! WWW.loans@txcdc.com

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