

What's the next step?

For more information, including an application to get your bank started, please visit us at: <http://1.usa.gov/1pz11dD>

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Washington State: Building Business Legends.

WASHINGTON STATE

COLLATERAL SUPPORT PROGRAM



Department of Commerce
Innovation is in our nature.

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SBCI LOAN
PROGRAMS



What is the Collateral Support Program?

The Collateral Support Program (CSP) is part of a federally funded initiative aimed at providing capital to spur small business growth and create jobs throughout Washington State. The program can support small businesses that lack necessary collateral to qualify for a bridge loan, helping them secure an SBA 504 loan with their lender.

This complimentary program helps participating lenders comply with their own internal loan policies while approving the necessary bridge loans the 504 program requires.

What are the benefits for banks?

- Allows lenders to work directly with borrowers for the entire loan process.
- CSP provides lenders with a complimentary program to the SBA 504 that is specifically designed to help them comply with their own internal loan policies while approving the necessary bridge loans the 504 program requires.
- Supports financing by providing low cost cash collateral for small businesses that lack necessary collateral to qualify for a bridge loan under their lenders current loan policies.
- Bank enrollment is fast and easy.
- Minimal reporting requirements for the lender and none for the borrower.
- Allows lenders to close on additional loans while staying in compliance with bank policies.
- Allows banks to share the risk with the state.



Qualifying SBA 504 Loan uses include:

- The purchase of land, including existing buildings.
- The purchase of business related real estate improvements.
- The construction of new facilities or modernizing, renovating or converting existing facilities.
- The purchase of long-term machinery and equipment.

How the program works

- Deposit up to 20% of the collateral value as a CD(cash) in the participating institution, not to exceed \$500k per borrower.
- Program fees range between 2-3% based upon the term of the loan.
- Qualifying businesses must have 500 employees or less and be located in Washington State. (some exclusions apply)
- SBA must first provide the lender with a letter of approval for the 504 loan.
- CSP loan terms range from 6-18 month.

How can my bank participate in CSP?

- Complete the one page application
- Pass the Commerce screening process
- Execute a copy of the CSP contract with Commerce
- Start enrolling loans!

