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## **SBA, CDC Small Business Finance Piggyback on Green Movement**

**By MIKE ALLEN**

SAN DIEGO BUSINESS JOURNAL STAFF

The U.S. Small Business Administration and **CDC Small Business Finance**, its local partner lender for commercial property loans, are jumping on the “green” bandwagon by doubling the maximum lending amounts for those mortgages that benefit the environment.

The new program, Green 504 (referring to the SBA’s 504 commercial property loans), doubles the ceiling to \$4 million from \$2 million for projects that reduce energy consumption or generate renewable fuels.

CDC loan officer Ken Rosenthal said businesses can qualify by either cutting energy uses 10 percent or producing energy through renewable sources such as solar, wind and hydropower.

“The easiest way to qualify is for a business to add solar panels,” Rosenthal said.

The 504 program has been a popular financing tool for buying buildings in which the businesses are housed. The bank provides half the loan, while SBA provides 40 percent and the owner 10 percent.

Manufacturers can also obtain \$4 million in SBA financing without connections to green projects, Rosenthal said.

Like most others in the finance industry, **CDC Small Business Finance** has seen a big drop in demand in the past quarter or so.

According to an SBA report for the five months ending Jan. 31, CDC made 24 loans for \$16 million, second highest in the region in number of loans. But that’s half the volume for the same period a year earlier, Rosenthal said.

“We’re off by 50 percent and the reason for it is purely based on the lack of buyers,” he said. “People are on the sidelines, waiting to jump in.”

The latest SBA report shows the No. 1 lender was Wells Fargo Bank, with 33 loans in the 7(a) program for \$10 million. U.S. Bank and Borrego Springs Bank were tied for third place with 10 loans.