

September 27, 2005



Demand for 504-Backed Loans Maintains Record Pace

A new, "state-of-the-art" facility for Harley Davidson in Scott, LA. is representative of the nation-wide trend of SBA 504 growth.

Through the first six months of the fiscal year, the 504 program has issued loans worth \$2.04 billion, more than 16.1% ahead of the same period a year ago, when the program had loans totaling \$1.75 billion.

Additionally, the maximum government loan guarantee increased from \$1 million to \$1.5 million and the 504 program is operating smoothly on a zero subsidy basis, without a congressional appropriation, meaning that it pays for itself through modest fees paid by lenders and borrowers.

"The trends we saw at the end of the first quarter are continuing and in fact, we're doing ever better," said SBA Administrator Hector V. Barreto. "We had a record year last fiscal year and we're on track to have another on this year. These numbers also demonstrate continued confidence on the part of the American entrepreneurs who contribute to economic growth and job creation."

Louisiana Capital has also seen considerable portfolio growth over the same time span. We attribute this growth to several factors: a 20 year fixed rate @ approximately 6.5% (including fees), the benefit to the small business of up to 90% leverage, and an increased focus in credit risk on the part of our participating lenders.

Don's Seafood Grows Its Restaurant Business With a 504 Loan

Don's Seafood Hut is located in Denham Springs along the westbound lanes of I-12.

The restaurant is owned and operated by four members of the well known and restaurant "tradition-rich" Landry family. Each principal is a second generation restaurateur.

Denham Springs as well as most of Livingston Parish has experienced tremendous population growth during the last 10 years or so, as such the Landry's felt that the market was well positioned for a Don's location.

An SBA 504 loan from Louisiana Capital CDC, Inc. provided the borrowers with an extremely competitive fixed rate, 20 year term loan.

While many lenders are hesitant to provide conventional financing for restaurant projects, Louisiana Capital has participated in a number of such projects and Don's Seafood in Denham Springs is another classic example.



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Find Out More

Louisiana Capital is certified by the U.S. Small Business Administration to offer the 504 loan program. Since 1983, we have been working in conjunction with financial institutions to provide a low down payment on fixed rate, long-term financing. We are the most active SBA 504 lender in Louisiana given that over the last ten years we have facilitated slightly over 50% of all the 504 loan production within the state.

Find out more about the SBA 504 Loan — A Fixed Rate Commercial Real Estate Loan With Only 10% Down by visiting our website at www.louisianacapital.com.

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