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MEACO PROMOTES “BEST KEPT SECRET” IN SMALL BUSINESS FINANCING ***SBA 504 Loan Program Provides Low Cost Capital For Area Small Businesses***

Mentor, OH – September 30, 2005 – Mentor Economic Assistance Corporation (MEACO), a certified development corporation and part of the City of Mentor’s Economic Development Program, announces the continuation of its Small Business Association, (SBA) 504 Loan Program. Designed to stimulate business expansion and job creation, the SBA 504 Loan Program provides long-term, fixed rate financing at below market interest rates. Virtually all for-profit small businesses with a net worth of six million dollars and under are eligible.

The SBA 504 Loan Program offers significant advantages over conventional loans:

- Low down payment. Typically, just 10% of the total project cost.
- Fixed interest rate is competitive and typically below market value. Real estate loans are 20-year term, heavy equipment are 10 and 20-year terms.

The SBA 504 Loan Program has three components. First, a private lender makes a conventional loan for at least 50% of the cost of the project. Then the SBA guarantees up to another 40% of the project. Borrowers can get the loan by putting as little as 10% down.

"The SBA 504 Loan Program is the best kept secret in small business financing," says Tom Thielman, Executive Director of MEACO. "The program is ideal for nearly any small business needing capital financing to expand, but at the same time, trying to preserve its cash preserves," he concluded.

The SBA typically will make guarantees of up to \$1 million under the 504 program, which means that the loan can be for as much as \$2.5 million.

MEACO provides economic development financing programs, such as the Mentor Small Business Loan Fund and the SBA 504 Loan Program to stimulate and encourage business growth. By working with banks, businesses, and the City of Mentor, MEACO helps small businesses get loans for machinery and equipment, building improvements, office equipment, and fixtures. Through MEACO, small businesses may obtain financing at fixed, below-market rates.

For more than 21 years, MEACO has helped new and existing local businesses obtain long-term, low-interest loans for building construction, expansion or new equipment purchases. Working directly with small businesses and their banks to get prompt financing, MEACO also provides valuable assistance to applicants throughout the paperwork process. MEACO has helped finance projects for small and medium-sized businesses throughout Mentor, and has resulted in the creation or retention of more than 1,300 jobs within the city. Visit the MEACO web site at www.meacoweb.com or contact Thomas Thielman at 440-974-5739 for more information.

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Editor Note:

Mr. Thielman, Executive Director of MEACO is available for commentary. Please contact Tom Mitchell, Marshfield Group, 440-974-8448 or 216-219-5645 (cell) to schedule an interview.