

FEATURE 504:

Precision Auto Body Design, Huron, SD



Precision Auto Body Design, located in Huron, recently obtained two SBA 504 loans. American Bank & Trust and First District Development Company (FDDC) were able to join forces and provide Warren and Ellen Storm, owners and operators of Precision Auto Body Design, with an attractive financing package on both their newly constructed building and purchase of new furniture, fixtures, and equipment. By using an SBA 504 loan on both their real estate and equipment projects, the Storm's were able to take advantage of record-low SBA 504 fixed interest rates, which will keep their monthly debt service payments low and their level of cash available for working capital high. Precision Auto Body Design specializes in collision and auto body repair to include vehicle dent repair, repainting, sanding, buffing, and installation of glass and accessories.

Just as there were steps followed to construct the new building and to put together the financing packages, Warren Storm's business has taken several steps forward since its inception in 2003. Prior to being located in this new building, Warren operated his small business out of a leased commercial building. That building was approximately 7,500 square feet in size, only visible to limited traffic flow, and had only five stalls. A typical scenario in their old shop was an employee having to move three cars to get to one car they needed to work on. The square footage that was available was largely consumed by a large paint booth, frame rack, reception area, office, and paint mixing area. Warren often had to turn away business because there simply was not enough room in that shop to complete every job that came knocking on his door.

(continued on page 2)

Inside This Issue...

Featuring—Precision Auto Body Design

FDDC Welcomes Katie Carter

Awards Presented at FDDC Meeting

SBA Fee Elimination Still in Effect

504 Latest Interest Rates



FIRST DISTRICT DEVELOPMENT COMPANY

124 1st Avenue NW, P.O. Box 1207
Watertown, SD 57201

Phone: (605) 882-5115
FAX: (605) 882-5049
E-Mail: paula@1stdistrict.org
amy@1stdistrict.org
jen@1stdistrict.org
katie@1stdistrict.org

Website: www.1stdistrict.org/fddc

Paula Hulscher, Exec. Vice President
Amy Waite, Loan Officer
Jen Palmquist, Loan Servicing Officer
Katie Carter, Assistant Loan Officer

FDDC is an Equal Opportunity Lender,
Provider, and Employer.

Precision Auto Body Design

Continued



Warren and Ellen Storm, owners and operators of Precision Auto Body Design, Huron, SD



Inside view of one of the paint booths

The new shop, where working space has doubled, is located on Lincoln Avenue, which is a steady traffic area in Huron. Warren has plans to hire more technicians, as the additional room will allow for more employees. Warren and his team enjoy the twelve stalls they are able to work out of, the spacious reception and office area, the two brand new state-of-the-art paint booths, and the separate rooms for equipment and parts. Along with the increased space, Warren is able to better organize his shop, increasing efficiency, which leads to increased sales.

Warren Storm began his career in auto body 25+ years ago. Since 1987 up until 2003, he had been the manager for the collision and auto body repair shop at a major dealership in Huron. Ellen, who works full time for Huron Public School, assists with the administrative duties at Precision Auto Body Design.

FDDC was thrilled to assist the Storm's with both a 20 year SBA 504 loan on their real estate project and a 10 year SBA 504 loan on their equipment project. FDDC wishes Warren and Ellen tremendous success at their new location.

FDDC Welcomes Katie Carter



Katie Carter joined the FDDC team in November of 2009 as an Assistant Loan Officer.

In April 2006, Katie graduated from Northwest Missouri State University in Maryville, MO with a Bachelor of Science in International Business. Katie also completed her Masters of Business Administration from the University of Phoenix Online in November 2007. Carter previously worked in the Kansas City area as a finance counselor for a private University and as a Project Coordinator for a private healthcare organization.

Katie is originally from Castlewood, South Dakota, and is returning to this area after being gone for eight years.

Awards Presented at FDDC Annual Meeting



Pictured (L to R):
Randy Osterloo,
First Premier Bank,
Sioux Falls;
and Paula Hulscher,
FDDC.

First District Development Company's Annual Meeting was held November 19, 2009, in Watertown. During the meeting, FDDC announced Randy Osterloo with First Premier Bank, Sioux Falls, as their 2009 Lender of the Year. Randy has been a FDDC supporter for many years, in fact, he previously won our Lender of the Year Award in 2003. Randy was instrumental in helping FDDC achieve their goals for number of 504 loans in fiscal year 2009.

Randy has worked for First Premier Bank for the last 15 1/2 years in commercial lending and as a financial advisor.



First District Development Company was presented with the Asset Builders Award by the U.S. Small Business Administration District Office in Sioux Falls. FDDC received this award for the number one loan volume for SBA 504 loans in South Dakota in 2009.

Pictured (L to R):
Chuck Hughes,
U.S. Small
Business
Administration,
Sioux Falls;
and Paula
Hulscher, FDDC.



SBA Fee Elimination Still In Effect

With the passing of the Department of Defense appropriations bill in late December, 2009, SBA 504 fee reductions have been extended. Funds are expected to be available through February of 2010.

These funds have enabled the SBA Sacramento Loan Processing Center to complete loan processing of at least a couple hundred 504 loan applications that were placed in the ARRA queue. FDDC has received notice of funding with fee reductions for all of their 504 loan applicants that were placed in the queue.

Now that Congress has returned to Washington for the start of the next session, we turn our attention to the Commerce-Justice appropriations bill, H.R.2847, which is also known as the jobs bill. This legislation contains an additional \$354 million for fee offsets for the two SBA loan programs. It has passed both the House and the Senate, and now must be "conferenced" by the Appropriations Committees. We expect this to occur soon and hope that this bill would be passed in final form before the funds from the DOD spending bill run out.

Another new bill was just introduced and referred to the House Small Business Committee. This bill includes provisions to increase 504 loan maximums and temporary expansion for refinancing projects. These changes would mean greater access to capital for small businesses who are struggling from the stress and restrictions placed on commercial lending.

504 Funding Summary

January, 2009 - January, 2010

10-Year Debentures

Jan	2009	6.32
Mar	2009	5.07
May	2009	4.49
Jul	2009	4.37
Sep	2009	4.26
Nov	2009	4.15
Jan	2010	4.91

For January 2010, a total of \$223,048,000 twenty-year debentures (or 411 loans) and \$18,589,000 ten-year debentures (or 44 loans) were funded through the sale of certificates guaranteed by SBA.

Rates shown are full term effective rates, which include all monthly service fees. 10-Year Debentures are sold every other month and generally the proceeds are used for equipment purchases. 20-Year Debentures are sold monthly and the proceeds are used for real estate acquisition and/or construction.

20-Year Debentures

Jan	2009	6.67
Feb	2009	5.70
Mar	2009	5.60
Apr	2009	5.25
May	2009	5.37
Jun	2009	5.90
Jul	2009	5.24
Aug	2009	5.39
Sep	2009	5.14
Oct	2009	4.86
Nov	2009	5.03
Dec	2009	5.47
Jan	2010	5.79

Be *FIRST* to get it *FIXED!*

