

Small Business Financing Now Available for Spray Booths and Other Equipment

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With small shops facing significant financial burdens in buying new equipment to meet the requirements of water-based paint application, Industry Canada has announced a program that should help.

"One of the issues we continually raised with Environment Canada during the low-VOC paint discussions was the real difficulties that small shops were experiencing at the bank or their financial institution where credit rules have been toughened," said John Norris, NATA Collision Chair. "This program allows lenders a much high degree of safety and security in lending equipment financing monies to shops."

The program under the Small Business Financing Directorate of Industry Canada (CSBF) will allow small for-profit businesses with gross annual revenues of less than \$5 million, to better access up to \$350,000 for purchasing leasehold improvements or improving leased property or purchasing or improving new or used equipment (like a spray booth).

Discuss your business needs with a financial officer at any bank, caisse populaire or credit union in Canada. The financial officer will review your business proposal and make a decision on your loan application. Once the decision is made to offer financing under the program, the financial institution will register the loan with Industry Canada.

Loans can be used for financing up to 90% of the cost. You can use the money to finance buildings and lands, commercial vehicles and production equipment. Maximum chargeable rate by your financial institution is the lender's prime lending rate plus 3% for variable rate loans with fixed rate amounts being lender's single-family residential mortgage rate plus 3%.

A registration fee of 2% of the total amount loaned under the program must also be paid by the borrower to the lender, and can be financed as part of the loan. Lenders are required to take security on the assets financed. The registration fee and a portion of the interest are submitted to Industry Canada by the lender to help offset the costs of this program for the government.

For more information please go to: www.ic.gc.ca/csbfa ►