[From Metalworking News, New York, N.Y., Oct. 30, 1967]

MDNA, SBA TRADE VIEWS ON TOOL PLAN
(By Ron Schneiderman)

PHILADELPHIA.—Machinery Dealers National Association members and the Small Business Administration gave each other a quick course last week in how each conducts its business.

The results may not be overwhelming, but both organizations are likely to prosper from the meeting.

It was MDNA's fall conference and their first meeting since the SBA ruled just over a week ago that small firms are now eligible for SBA loans covering 80 per cent of the cost of a used machine tool.

A previous SBA program, initiated earlier this year, covered only new machine tools.

Robert Blewitt, counsel for SBA in the Middle Atlantic region, told members he had been directed to take their questions to Washington in hopes of clearing up some local ends in the new SBA program.

The new plan, noted in these columns last week, requires a 20 per cent down payment with payments extending over a period of five years, usually made on a monthly basis.

SBA will loan up to $100,000 on a direct loan, up to $150,000 on a bank participation loan, and will guarantee up to $350,000 of a bank loan made for the purchase of used machine tools.

Harold Goldstein, Cadillac Machinery Co., Chicago, Ill., and president, MDNA, who spent the better part of the past two years developing the new loan program with the SBA, said now that it is in effect, it is up to the dealers to promote it.

This was the prevailing theme during interviews by Metalworking News.

COULD BE A BOON

Eugene Golan, MacDell Corp., Chicago, said the program could be a boom to the used machinery dealer if he got out and pushed it.

Mark Meyers, Valley Machinery Co., Pottstown, Pa., took a wait and see attitude, noting that the new machinery loan program with the SBA has produced little results.

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[From the Surplus Record, December 1967]

NEW SBA LOAN PROGRAM FOR USED MACHINERY APPROVED

Small firms are now eligible for Small Business Administration loans for purchasing *used* machine tools. The new plan, announced by SBA Administrator Robert C. Moot, will cover up to 80 percent of the cost of a used machine tool, which must have been manufactured during or after 1950. A 20 percent down payment is required of the purchaser with payments extending over a period of five years.

The program applies only to power-driven machines, not portable by hand, for shaping or forming metals, and which have been cleaned, painted, and cycled; and only if the machinery is to be delivered within five months.

SBA will loan up to $100,000 on a direct loan; up to $150,000 on a bank participation loan, and will guarantee up to $350,000 of a bank loan made for the purchase of used machine tools.

SBA Administrator Moot said, "We believe that the extension of the program to include the purchase of good quality used machine tools will help many samll producers upgrade their facilities and become more competitive."

Small firms seeking funds for working capital, debt payment, tools, dies, installation costs, and other purposes are not eligible under the used machine tool financing program, but may be eligible for a regular SBA business loan.

Announcement of the program culminates an intense effort by the used machine tool industry to obtain a financing program to meet the needs of small metalworking firms.

Commenting on the program, Richard L. Studley, executive director of the Machinery Dealers National Association (MDNA), said, "We are most gratified