

by SBA's action. We feel the program will greatly assist the tool and die shops and smaller manufacturing companies who find it difficult to obtain financing through normal channels at a reasonable rate for their purchases of used equipment."

"This program could permit the smaller manufacturer to expand rapidly for contracts that often won't wait for delivery of a new machine—and may not be large enough to justify its purchase anyway. The survival or failure of these shops is often dependent upon their ability to tool up with little lead time. This is one of the functions filled by used machine tools," Studley said.

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Machinery Dealers National Association has recently formed an Allied Membership Committee to be composed of those from associated industries with common interests to which MDNA can extend its services.

[From Used Equipment Directory, Jersey City, N.J.]

AN OPEN LETTER TO INDUSTRY

GOOD NEWS FOR MACHINE TOOL BUYERS!

The Small Business Administration has announced that small firms are now eligible for SBA loans covering up to 80% of the cost of a used machine tool. Here are some of the details:

The used machine tool must have been manufactured after 1949

A 20% down payment is required of the purchaser with payments extending up to 5 years

The machine tool is the sole collateral for the loan

SBA will loan

up to \$100,000 on a direct loan

up to \$150,000 on a bank participation loan

guarantee up to \$350,000 of a bank loan

To qualify, a firm must be able to give reasonable assurance of repayment

This new program is designed to assist tool and die shops and smaller metal-working firms who are unable to obtain financing for purchases of used equipment through normal channels at reasonable rates.

See your local machinery dealer for more details on the program or contact the SBA regional office nearest you. Take advantage of this outstanding new program today!

MACHINERY DEALERS NATIONAL ASSOCIATION.

INFORMATION FOR MDNA MEMBERS ON SBA USED MACHINE TOOL LOANS

Small firms are now eligible for Small Business Administration (SBA) loans covering up to 80% of the cost of a used machine tool. Here are the details:

WHO IS ELIGIBLE?

A small business, for SBA loan purposes, is defined as independently owned and operated, not dominant in its field, which meets the size standards developed by SBA. The size standards state it is *small* business if employment does not exceed 250, including employees of any affiliates, *large* if it exceeds 1,000. If employment is between 250 and 1,000, SBA bases its determination on a specific size standard for your customer's type of business, depending on *his end product*. The nearest SBA office, as listed here, can tell you what the standards are for your customer's type of business. (See partial listing pp. 7 and 8.)¹

MACHINE TOOLS ELIGIBLE

Financing is limited to used machine tools which:

- (1) were manufactured during or after 1950;
- (2) as a minimum will have been cleaned, painted, and run under power prior to disbursement on the loan. (This excludes financing of a used machine tool on an "as is" basis.)
- (3) delivery of the machine tool must be made within 5 months from date of approval.

Note: Loan applications which, in addition to the purchase of used machine tools, include requests for any other purpose, such as working capital, debt pay-

¹ See pp. 95-99 of this record.