

## FEATURE 504:

### MA's Carwash Huron, SD



Farmers and Merchants Bank—Branch of First National Bank in Huron, SD, and First District Development Company (FDDC) via the SBA 504 loan program joined forces to offer an attractive financing package to a newly formed entity to do business as MA's Carwash. This new venture is owned by brothers who are Huron natives—Matt Rathjen and Adam Rathjen.

The MA's Carwash project involved the purchase of bare land, construction of a new building, and purchase and install of new equipment. The new car wash is located in Huron on the frontage road directly to the east of Wal-mart and Runnings on the far south lot. This real estate is on a corner lot and has 400+ feet frontage right on Highway 37 (Dakota Avenue). In addition to a superb location, the new car wash is set up with all of the state of the art equipment customers need for their vehicles to look like new again. The Rathjen's realize vehicles are one of the largest purchases individuals will make throughout their lifetime. MA's Carwash is committed to providing their customers with an automatic wash they can trust to clean their vehicle properly. Also, for the individuals who choose to wash their vehicle themselves, there are self-serve bays equipped with all the necessary washing equipment and cleaning fluids. With the latest car wash technology installed, the carwash is open 24/7, and friendly attendants are on standby at all times during the day—MA's Carwash is fast, convenient, and friendly.

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—New Favorable Terms

Brittany Rost Joins  
First District Team

504 Latest  
Interest Rates



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

## MA's Carwash

Continued



Matt and Adam Rathjen were interested in doing this project because they realized a need for residents in Huron and the surrounding communities for a nice, clean, well-maintained, modern car wash. MA's Carwash is not a project the Rathjen's jumped into hastily. In fact, Matt Rathjen researched his idea of a new car wash in Huron for eight years prior to putting any of his plans into place. Matt took it upon himself to reach out and gain relationships with existing car wash owners in different parts of the country. The design of MA's Carwash and the equipment package installed is a direct result of the Rathjen's years of preparation, planning, and designing.

Prior to operating MA's Carwash, both Matt and Adam already had experience owning their own business in Huron, which they will continue to do in addition to managing MA's. Matt owns Rathjen Construction as well as managing several hundreds of storage sheds. Adam Rathjen, who has been employed at Rathjen Construction for several years, is self-employed as well through his business Rathjen Home Inspections. While they have an attendant on-site at MA's Carwash, both Matt and Adam check on the property on a daily basis. These entrepreneurial brothers joined forces, and have created a wonderful asset to the Huron community.

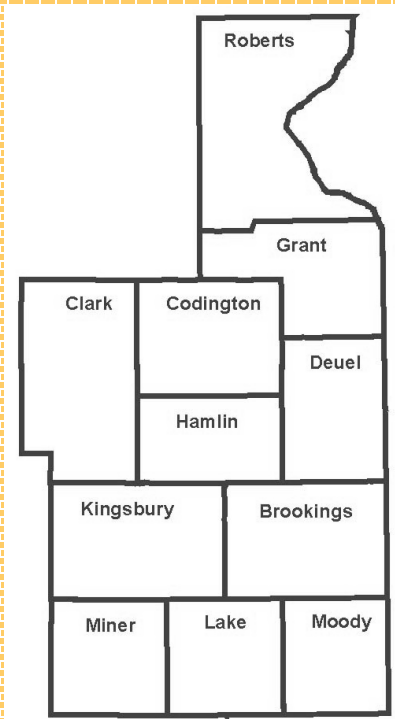


## SBA 504 Guarantee Fee Changes

**FEES**  
*update*

For all SBA 504 loans approved after October 1, 2020, the Ongoing Borrower Guarantee Fee has changed. This fee is added to the debenture rate each month and is included in the full term effective interest rate that is quoted for 504 loan rates. The current fee of 0.3205% increased to 0.4517%, representing a rise of 13.12 basis points. The ongoing fees are calculated on the average remaining balance of the 504 loan over five year periods. The Ongoing Borrower Guarantee Fee is adjusted annually in October to offset the costs of maintaining the 504 program, since it is not subsidized by the U.S. Government.

## First District Revolving Loan Funds — *New Favorable Terms*



First District has obtained an additional \$1.56 million in Revolving Loan Fund (RLF) assistance through the Economic Development Administration (EDA). These new loan funds (along with First District's current RLF funds of approximately \$2 million) are being offered at attractive terms to businesses in an eleven county region as shown to the left (including Brookings, Clark, Codrington, Deuel, Grant, Hamlin, Kingsbury, Lake, Miner, Moody, and Roberts). The revolving loan funds and favorable terms are the result of the mission of the CARES Act to alleviate the sudden and severe economic dislocation caused by the coronavirus (COVID-19) pandemic and to provide permanent resources to support economic resiliency.

Money can be used for:

- ✦ Land/Buildings
- ✦ New Construction
- ✦ Equipment
- ✦ Inventory/Working Capital

Loan terms will depend on use of funds (5-20 years) with an interest rate of 2.5%. Private lender participation may be required, depending on the financial condition of the borrower, the nature of the project, and the loan amount. These terms will expire in early 2022.

Applicants will be considered under normal underwriting criteria. Contact FDDC to discuss your project and to obtain a loan application.

## Brittany Rost Joins the First District Team



Brittany Rost joined the FDDC team in October, 2020, as an Assistant Loan Officer.

Brittany received her Associate of Applied Science degree in Financial Services from Lake Area Tech in 2010. She has four years of prior lending experience after working at Avanti Federal Credit Union as a Loan Officer. Prior to coming to FDDC she worked at Lake Area Tech as a Foundation Administrative Assistant.

In her free time, she enjoys spending time with her husband, Michael, and their three children: Kinzley, Brynlee and Graham.

**10-Year Debentures**

Sep	2019	3.563
Nov	2019	3.933
Jan	2020	3.804
Mar	2020	2.847
May	2020	2.654
Jul	2020	2.400
Sep	2020	2.288

**25-Year Debentures**

Jan	2020	3.714
Feb	2020	3.463
Mar	2020	2.881
Apr	2020	3.032
May	2020	2.761
Jun	2020	2.602
Jul	2020	2.410
Aug	2020	2.269
Sep	2020	2.410
Oct	2020	2.430

# 504 Funding Summary

October 2019 — October 2020

For October 2020, a total of \$23,902,000 twenty-year debentures (or 51 loans) and a total of \$106,646,000 twenty-five year debentures (or 146 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 and 25-Year Debentures are sold monthly and the proceeds are used for real estate acquisition and/or construction.

**20-Year Debentures**

Oct	2019	3.462
Nov	2019	3.742
Dec	2019	3.582
Jan	2020	3.644
Feb	2020	3.392
Mar	2020	2.808
Apr	2020	2.960
May	2020	2.688
Jun	2020	2.528
Jul	2020	2.346
Aug	2020	2.214
Sep	2020	2.366
Oct	2020	2.396

***Be FIRST to get it FIXED!***



**FIRST DISTRICT DEVELOPMENT COMPANY**  
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