

From: Thomas Wallace
To: [Regs.Comments](#)
Subject: [EXTERNAL] Docket ID OCC-2017-0018
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Greetings, all.

The proposed simplification removes a significant impediment to the utilization of the SBA's 504 Program. The existing language implies an increased capital allocation against interim and construction loans made under the 504. This obviously reduces profitability and is thus an obvious deterrent to program utilization. That the impact is more directly felt by community banks, due to overall capital limitations, is a particularly detrimental unintended consequence.

As the 504 structure offers significant benefits, particularly in a rising rate environment, a low and long term fixed rate for the financing of capital assets, it would seem clearly desirable.

Given that these benefits, by creating a more stable credit structure, benefit both the creditor and debtor, it is a simplification which should be supported.

Thank you for the opportunity to provide input on this matter.

Sincerely,

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