

# SBA 504 Loans



## **Borrower Benefits**

- Low down payment of only 10%
- Long repayment terms - reducing monthly payments
- Frees up cash flow to expand your business
- Many rate options include long term fixed rates

## **Use of Proceeds**

- Ground-up construction up to \$5MM available to existing businesses purchase of owner occupied commercial real estate
- Limited refinancing of existing debt is permitted in conjunction with new construction as SBA policy allows

## **Standard Loan Structure**

- 50% financing - First mortgage (up to \$4 Million)
- 40% financing - SBA 504 second mortgage (SBA / Certified Development Corporation provides up to \$2 million, \$4 million if LEED “green” guidelines are met)
- 10% minimum down payment by the borrower (15% in the case of special use properties or ground-up construction)

## **Terms**

- First Mortgage
  - 25 years, fully amortized
  - Fixed, floating and adjustable rates available
  - Competitive fee structure
  - Prepayment penalty options as short as 5 years or 10 years to match CDC time frame
- Second Mortgage
  - 20 years, fully amortized
  - Fixed rate is determined at SBA guaranteed 504 debenture sale
  - Fees can be FINANCED - low out of pocket cost
  - Guarantee Fees are waived through Sep 2010
  - Fees set by CDC
  - Prepayment penalty for initial 10 years, none after the end of year 10

## **Pre-Screen**

- Pre-Screen service is available within 48 hours with no charge or obligation with limited information. Please see separate flyer for more detail.

If you have questions, please contact:

# SBA 504 Loans: Pre-Screen Checklist



Please forward the following items to evaluate your project so we can discuss various loan options, features and eligibility specific to your transaction:

- Business Tax Return(s), with all schedules and attachments, for the last three years.
- Business Interim (year-to-Date) Financial Statement (income statement and balance sheet).
- Business Debt Schedule (form available upon request) detailing all business debts reconciled to current balance sheet.
- Brief summary of the loan request
- Personal Financial Statement (form available upon request) from each business owner, prepared jointly with spouse (if married).
- Personal Credit Bureau

Note : This checklist assumes that there are no SBA defined “affiliate” businesses. If this is not the case, please contact us for a revised checklist.

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