

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 including long term fixed rates

Use of Proceeds

- Ground-up construction up to \$5M 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)

Pre-screen

Pre-Screen service is available within 48 hours with no charge or obligation with limited information.

TERMS

First Mortgage

- 25 years, fully amortized
- Fixed, floating and adjustable rates available
- Competitive fee structure
- Prepayment penalties as short as 5 years - none thereafter

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
- Prepayment penalty for initial 10 years, none after the end of year 10