



Your local SBA 504 connection!

About SBCC

Small Business Capital Corporation (SBCC), a non-profit organization, is a certified development company operating as a qualified lender in the U.S. Small Business Administration (SBA) 504 Loan Program. SBCC partners with banks to provide fixed rate financing to small businesses.

Use of Funds

- Land acquisition & improvements
- New building construction
- Purchase existing building(s); building expansion
- Machinery and equipment having a minimum useful life of 10 years
- Eligible refinancing

Loan Terms

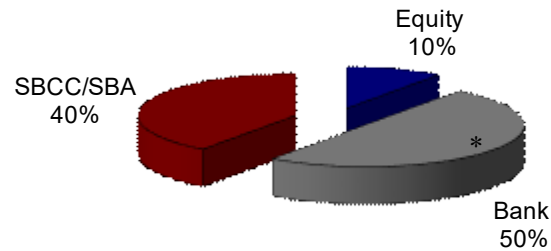
- Land and building- 20 years and 25 years
- Machinery and equipment- 10 years

The rate is fixed over the term of the loan and is usually below market interest rates.

Maximum SBA Participation

- \$5 million for regular loans
- \$5.5 million for eligible manufacturing loans (31, 32, 33 NAICS Codes) and renewable energy source projects

Basic SBA 504 Structure



* Minimum equity injection (higher equity requirements exist for start-ups or special purpose properties...the equity required will be increased by 5% if one condition exists or by 10% if both)

Eligibility Requirements

- Create or retain at least one job per \$90,000 of SBA financing; or \$140,000 for manufacturing and/or projects that meet an energy public policy goal (jobs can be waived if they meet other public policy goals)
- Property must be owner occupied (occupy at least 51% of existing building; 60% on new construction)
- Must be for-profit business
- Minimum total project size of \$125,000; no maximum
- Maximum tangible net worth of not more than \$15 million and average net income after Federal income taxes (excluding carry-over losses) for the 2 full fiscal years prior to application of not more than \$5 million

Ineligible Purposes

- Inventory
- Accounts Receivable
- Working capital

Benefits to the Borrower

- Up to 90% financing on fixed assets
- Below market, long-term, fixed rate funds
- Longer loan term avoids balloon payments, renegotiation of the loan, and possible higher payments
- Lower down payment conserves working capital

Benefits to the Bank

- First mortgage position with low loan-to-value reduces collateral risk
- SBCC staff prepares all SBA forms, completes the packaging and documentation, closes and services the loan
- Builds a stronger banking relationship by providing the customer the benefits of a 504 loan, while maintaining the banking relationship
- The bank's loan at 50% of project cost allows banks with in-house lending limits to preserve available funds for the borrower's future working capital and growth needs

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(Interest rates are posted on the website monthly)