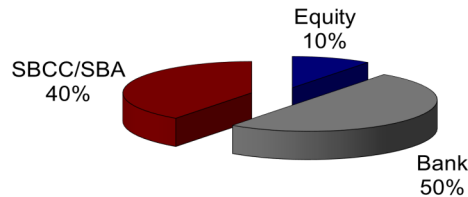




SBA 504 Loans-Key Program Details

ELIGIBLE USE OF FUNDS:

- Land
- Purchase existing building
- New construction
- Building expansion or renovation
- Long-term equipment
- Refinance of qualifying debt
- Furniture & fixtures
- Professional fees
- Other: i.e. appraisals, architects, etc.



BORROWER'S INJECTION:

- 10% in most cases
- 15% for new businesses (< 2 yrs in operation) or special purpose properties (i.e. car wash, hotel, gas station, urgent cares, etc.)
- 20% if the project is a new business and a special purpose property

WHO QUALIFIES:

- Most for-profit, owner occupied small businesses in the U.S.
- Tangible Net Worth not more than \$20 million; **and**
- Average Net Income after Federal Income Taxes for the two full fiscal years before the SBA application date not more than \$6.5 million

INELIGIBLE USE OF FUNDS:

- Working capital
- Inventory
- Goodwill assets from business purchase
- Franchise fees

LOAN LIMITS:

- \$5 million (typical projects)
- \$5.5 million (manufacturing or energy public policy goal)
- Minimum total project size of \$125,000
- No maximum lending limit on participating lender's portion

OCCUPANCY:

- 51% for existing buildings
- 60% for new construction (must occupy at least 80% within 10 years)

JOB CREATION:

- 1 job for every \$90,000 of SBA financing (most projects)
- 1 job for every \$140,000 of SBA financing (for manufacturing and/or projects that meet an energy public policy goal)
- Job requirement can be waived if project meets a public policy goal (i.e. rural, development, 51% or more owned by a woman, minority, or veteran, Enterprise or Opportunity Zone, etc.)

INTEREST RATE & TERMS:

- Fixed rate
- Fully amortized (no balloons)
- Real estate—10, 20, 25 yr terms
- Equipment—10 yr term
- Rate locked when debenture is sold

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