



## The SBA 504 Loan Program Quick Facts Sheet

### Program Highlights

- ✓ Up to 90% financing on real estate for existing businesses
- ✓ Fixed-rate, long-term financing
- ✓ Up to \$1.5 million available to business owners, and up to \$2 million for minority, veteran or women owned businesses and businesses that are located within an enterprise zone or a rural area. \$4 million available for manufacturers.

### Funds may be used for:

- ✓ Purchase, construction or renovation of commercial real estate
- ✓ Purchase of specialized machinery and/or equipment for use by business
- ✓ Professional fees including appraisal, environmental, architecture etc.

### Typical Financing Structure

- ✓ 10% - Equity from business or personal resources as a down payment
- ✓ 40% - SBA 504 Loan Program second Deed of Trust
- ✓ 50% - Conventional loan from a bank or private institution First Deed of Trust

### Terms on SBA 504 Portion

- ✓ 20 or 10 year terms, fully amortized for real estate
- ✓ 10 years on machinery and equipment project

### Interest Rate

- ✓ Based on the 10-year Treasury, fixed for the life of the loan
- ✓ Typically lower than market

### Transaction Costs

- ✓ All disclosed up front, no hidden fees.

*The SBA 504 Program is fully self-supporting; therefore no taxpayer dollars are used to subsidize this program.*

### Eligibility Requirements

- ✓ Combined liquidity of guarantors cannot be more than project costs
- ✓ Net Profits after taxes must be less than \$3.0 Million, net worth less than \$8.5 Million
- ✓ Owner/user must occupy 51% if an existing building, 60% if new construction project