SBA LOAN PROGRAMS

	7(a) Guaranteed Program	504 Loan
USE	• Purchase Equipment • Working Capital/Inventory • Business Acquisition • Franchise Financing • Debt refinance (within Guidelines) • Acquisition, expansion, or renovation of owner occupied commercial real estate	• Acquisition, expansion, or renovation of owner-occupied commercial real estate • Equipment with useful life over 10 years
SIZE	$150,000 to $2,000,000	$300,000 to $6,000,000

TERM	• 7 to 25 years, depending on the use of funds
	  o Working capital: 7 Years
	  o Equipment: 10 years
	  o Real Estate: 25 years
	• Typical Structure:
	  o 85-90% Bank Loan
	  o 10%-15% Owner equity
		• CDC - 10 or 20-year amortization and maturity
		• Bank
		  o Equipment: up to 10 year amortization and maturity
		  o Real Estate: up to 25 year amortization and maturity
		• Typical Structure
		  o 50% Bank Loan
		  o 40% CDC/Debenture
		  o - 10% owner equity

INTEREST RATE	• P + 2.75%; depending on credit quality and collateral, adjusted monthly	• Debenture at 10-or 20 year Treasury plus spread (fixed rate) • Bank portion - fixed or variable rate available, set by Bank
PREPAYMENT PENALTIES	• Loans over 15 year maturity have a 3 year prepayment penalty.	• Prepayment penalties apply to the Bank loan and the SBA loan.
ELIGIBILITY	• Based on revenue size or # of employees depending on NAICS code of business. • Examples: Retail and service - sales under $5 million • Manufacturing - 500 to 1,500 employees • Taxes must be current • Other SBA/Bank guidelines may apply	• Project must be at least 51% owner occupied if existing building; 60% owner occupied if new construction • After tax income less than $3 million on average over last 2 years • Tangible net worth of business less than $8.5 million.
COLLATERAL	• Business assets (personal assets may be required depending on collateral) • Owners with more than 20% share must provide personal guarantee	• Business assets, with personal and/or corporate guarantees
FEES	• Bank processing fee - $1,500 • Normal closing costs • **SBA fee waived while stimulus bill is in effect.**	• Bank – 1.5% points; plus normal closing costs • **CDC fees waived while stimulus bill is in effect.**
BENEFITS	• Low down payment • Longer maturities • Reduce monthly payments	• Low down payment • Long term maturities • Reduce monthly payments