



SBA 504 Loan - Fact Sheet

Commercial Real Estate & Equipment

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| Loan Size | <ul style="list-style-type: none">• \$125,000 to over \$10 million |
| Interest Rate | <ul style="list-style-type: none">• Fixed• Fully amortized through the term of the loan• Interest rates on 504 loans are set monthly at the time of funding at an increment above the current market rate for five-year and ten-year U.S. treasury issues |
| Eligible Business Size | <ul style="list-style-type: none">• Business net worth not to exceed \$15 million• Average net profit after taxes for 2 consecutive years not to exceed \$5 million |
| Terms Available and Amortization Periods | <ul style="list-style-type: none">• 20 years fully amortized – real estate loans• 10 years fully amortized – equipment loans• No balloon payments |
| Loan Structure | <ul style="list-style-type: none">• 50% Bank loan• 40% CDC loan• 10% Borrower down payment |
| Loan Purchase | <ul style="list-style-type: none">• Purchase existing building• Land acquisition and ground-up construction (includes soft cost development fees)• Expansion of existing building• Finance building improvements• Purchase equipment |
| Loan Program Requirements | <ul style="list-style-type: none">• 51% Owner occupancy required for existing building• 60% Owner occupancy required for new construction• Equipment with a minimum 10 year economic life |

Collateral

- Generally, the project assets being financed are used as collateral
- Personal guaranties of the principal owners of 20% or more ownership are required

Loan Fees

- Fees are financed in the 504 loan
- Servicing fee (lowest allotted by SBA) for CDC 504 plus a legal review fee

Please call Juan Hernandez or John Kropf at (216) 592-2332 for more information.