



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 \$5.0 million available to small business owners. \$5.5 million available for manufacturers and green sustainable projects.

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 \$5.0 Million, net worth less than \$15.0 Million
- ✓ Owner/user must occupy 51% if an existing building, 60% if new construction project