



SBA 504

COMMERCIAL
REAL ESTATE
LENDING
SOLUTIONS



WHY TMC FINANCING?

- TMC is one of the top SBA 504 lenders in California and Nevada
- TMC was the No. 1 SBA 504 lender in Northern California in 2015
- TMC ranks as the second-largest CDC nationwide
- Since 1981, we've provided more than \$8 billion in SBA 504 financing to nearly 5,000 businesses
- This financing has created an estimated 48,500 jobs in California and Nevada
- With more than 30 years experience, we've seen it all and know how to finance almost any type of property

We are the small business advocates

We help you through the entire loan process



ARE YOU QUALIFIED FOR SBA 504?

Qualifications for SBA 504 loans

- ✓ A private, for-profit company
- ✓ Minimum 51% occupancy
- ✓ Business net worth < \$15 million
- ✓ Business net income < \$5 million
(after tax, over past two years)

OR

of employees per NAICS

(Example: up to 500 employees for manufacturing project)



THE 504 ADVANTAGE:

- As little as 10% down payment
- No additional collateral required
- Below-market, **FIXED RATES**, 20-year & 10-year terms
- **No limit** on total project cost

- **Financing for**
 - **Building acquisition**
 - **Renovation**
 - **New construction**
 - **Equipment-only projects**

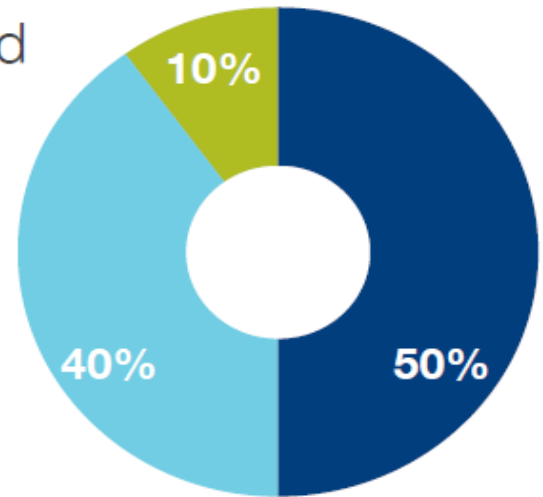


SBA 504 LOAN STRUCTURE

How is an SBA 504 loan structured?

Using the example of a \$4 million purchase with improvements of an additional \$1 million, the financing for a project totaling \$5 million would look like this:

Conventional loan (1st)	\$2,500,000	50%
SBA 504 loan (2nd)	\$2,000,000	40%
Owner down payment	\$500,000	10%
<hr/>		
Total project	\$5,000,000	100%





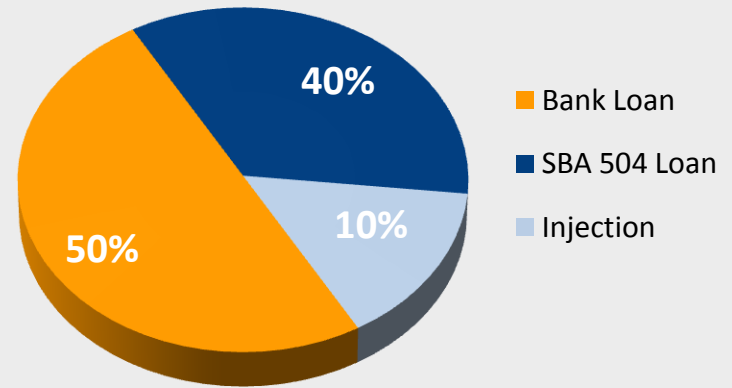
SAMPLE LOAN SCENARIO

SAMPLE LOAN

Building Purchase Price	\$1,000,000
Improvements	\$0
Equipment	\$0
Other	\$0
Total Project Costs	\$1,000,000

Loan Structure

Bank 1st Mortgage	50%	\$500,000
SBA 504 2nd Mortgage	40%	\$412,000
Down Payment	10%	\$100,000
Total Project with Fees	100.00%	\$1,014,000



90% SBA 504 Financing Example

	Loan Amount	Rate	Term	Amort	Monthly Pmt	Annual Pmt
Bank 1st Mortgage	\$ 500,000	4.75%	10 Yrs	25 Yrs	\$ 2,851	\$ 34,207
SBA 504 2nd Mortgage*	\$ 412,000	4.89%	20 Yrs	20 Yrs	\$ 2,684	\$ 32,329
<i>*Includes financed SBA fee of \$12,000</i>						
Total Financing	\$ 912,000	4.81%			\$ 5,545	\$ 66,536



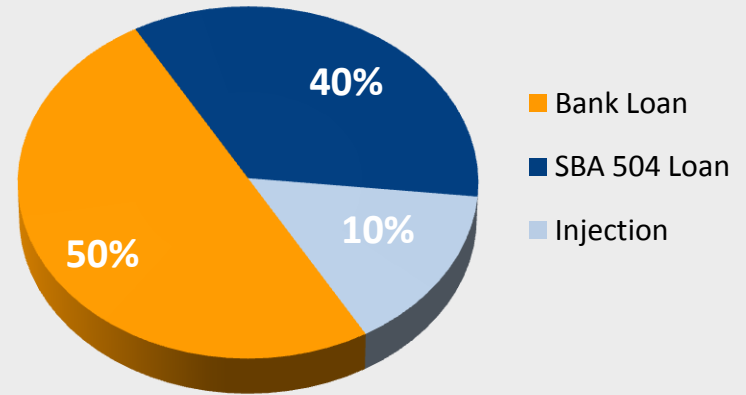
SAMPLE LOAN SCENARIO WITH IMPROVEMENTS



Building Purchase Price	\$5,000,000
Improvements	\$500,000
Equipment	\$0
Other	\$0
Total Project Costs	\$5,500,000

Loan Structure

Bank 1st Mortgage	50%	\$2,750,000
SBA 504 2nd Mortgage	40%	\$2,250,000
Down Payment	10%	\$550,000
Total Project with Fees	100.00%	\$5,550,000



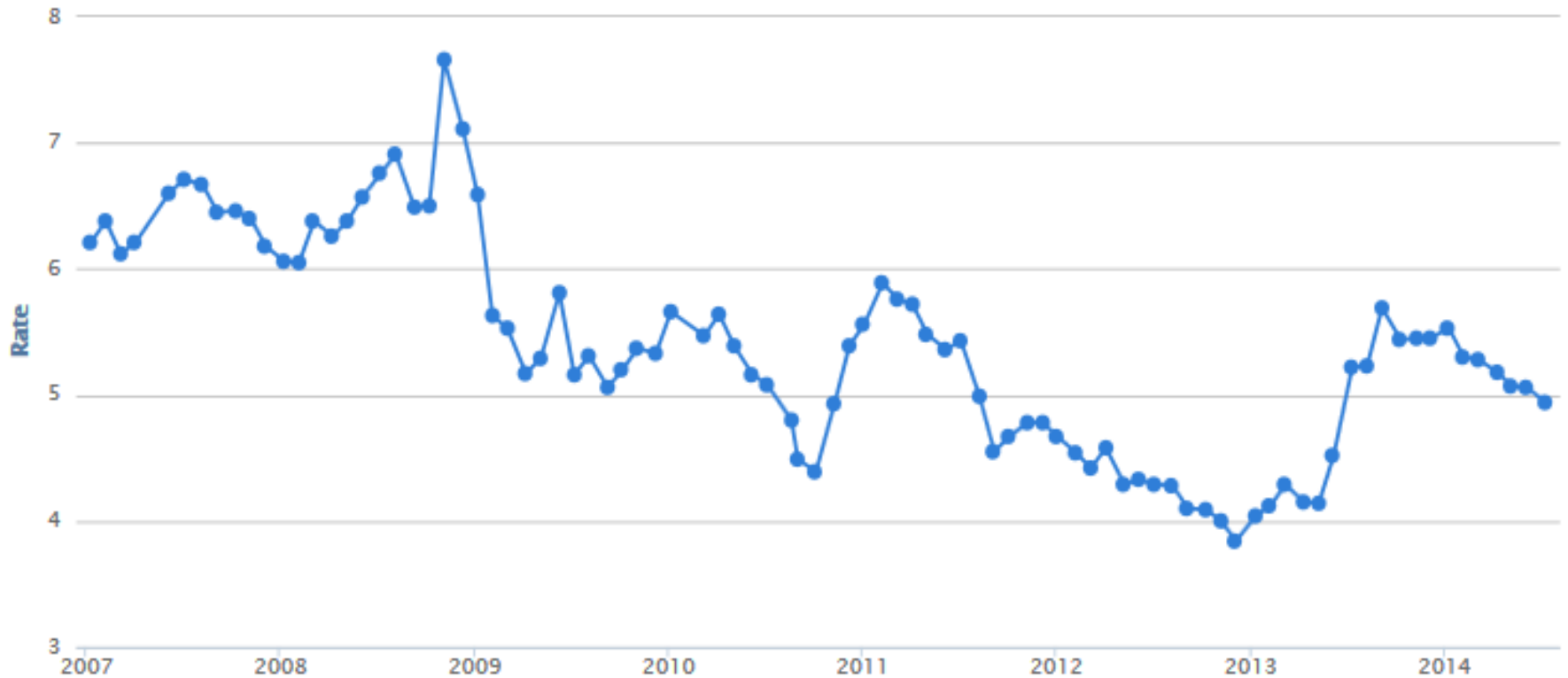
90% SBA 504 Financing Example

	Loan Amount	Rate	Term	Amort	Monthly Pmt	Annual Pmt
Bank 1st Mortgage	\$ 2,750,000	4.75%	10 Yrs	25 Yrs	\$ 15,678	\$ 188,139
SBA 504 2nd Mortgage*	\$ 2,250,000	4.89%	20 Yrs	20 Yrs	\$ 14,713	\$ 176,551
<i>*Includes financed SBA fee of \$50,000</i>						
Total Financing	\$ 5,000,000	4.81%			\$ 30,391	\$ 364,690



BELOW-MARKET 504 INTEREST RATES

SBA 504 Historical Rates (20 year term)





SPECIAL SBA 504 PROGRAMS

- **Energy Efficiency**

No limit to total project cost

- SBA portion: up to \$5.5 million per project
- Project must generate 10% of energy consumption

- **Manufacturing**

No limit to total project cost

- SBA portion: up to \$5.5 million per project



WHAT KIND OF PROPERTIES?

Multi-use qualifies for 10% down

Parking lots and self-storage facilities are considered multi-use

Special or single-use properties for as little as 15% down

Includes hotels, gas stations, assisted living facilities, farms and vineyards, swimming pools, bowling alleys, etc.

THE PERFECT LOAN FOR UNIQUE PROPERTIES



Hotels & Motels



Gas Stations



Wedding Chapels



Cold Storage Facilities,
Oil Wells, Landfills & Quarries



Hospitals, Assisted Living,
Surgery & Medical Centers



Parking Lots*



Amusement Parks, Theaters



Car Washes, Auto Repair



Wineries & Vineyards



Fitness & Sporting Facilities*

**With up to 85% financing, SBA 504 loans
are perfect for specialty properties**

See the full list at tmcfunding.com/special-purpose



UNLOCK BETTER HOTEL FINANCING WITH TMC'S SBA 504 LOAN

504 BENEFITS FOR HOTELS

As little as 15% down payment to preserve working capital

No limit on total project costs

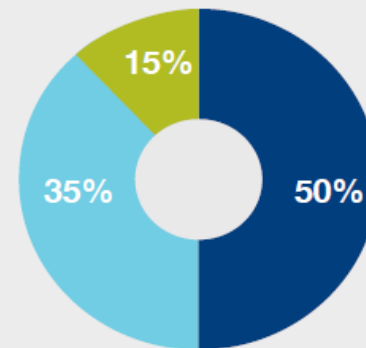
No limit to the number of hotels per owner*

No additional collateral required

Below-market FIXED rates, 20 year and 10 year terms

- ✓ Most for-profit, privately-owned hotels are eligible for SBA 504 financing
- ✓ There's no limit to the number of loans per owner when hotels meet the SBA's "Go Green" requirements
- ✓ No Maximum limit placed on total project cost or on the 1st mortgage
- ✓ Franchised and independent hotels qualify
- ✓ Funds can be used for acquisition, expansion, renovations, equipment purchases, and land for construction

How is an SBA 504 hotel loan structured?



Example: A loan for a \$10 million acquisition, and \$2 million in improvements may look like this:

Conventional loan (1st)	\$6,000,000	50%
SBA 504 loan (2nd)	\$4,200,000	35%
Owner down payment	\$1,800,000	15%
Total project cost	\$12,000,000	100%