

YOUR SBA 504 LOAN GUIDE

The U. S. Small Business Administration (SBA) created the 504 loan program to provide attractive financing for growing businesses seeking the acquisition or improvement of owner-occupied commercial real estate or equipment.

504 BENEFITS FOR BUSINESSES

10% down to preserve working capital

No additional collateral required

Decreased risk for lenders

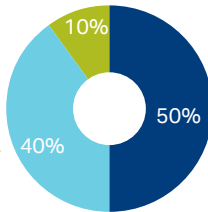
No limit on total project costs

Below-market rate fixed for 25 years

How is an SBA 504 loan structured?

Using a \$6 million loan example, your financing structure may look like this:

Conventional loan (1 st)	\$3,000,000	50%
SBA 504 loan (2 nd)	\$2,400,000	40%
Owner down payment	\$600,000	10%
Total project cost	\$6,000,000	100%



* No maximum limit on total project cost or lender's first mortgage

Maximums on SBA 2nd Mortgage

- » \$5.0 million for most projects
- » \$5.5 million for manufacturing projects
- » \$5.5 million when "Go Green" initiatives are met

Borrower Contribution

- » As little as 10% down payment for most loans
- » 15% for start-up businesses (within two years) or special-use properties
- » 20% if project is a start-up and property is special-use

How Funds May Be Used

- » Acquisition of an existing building (51% occupancy)
- » Building expansion or renovation
- » Heavy equipment
- » Land and new construction (60% occupancy)
- » Soft and closing costs
- » Refinance of certain real estate loans including SBA 7a, 504, and conventional

Go Green Qualifications

- » Reduce energy consumption by 10% or more
- » Produce on-site renewable energy that represents 15% of your energy use
- » Up to \$5.5 million on the SBA portion of every project, for up to three projects not to exceed \$16.5 million

- ✓ Most private, for-profit businesses are eligible
- ✓ Business must occupy at least 51% of the property if financing real estate



Contact us for a free prequalification assessment.

TMC is the #1 SBA 504 lender in the nation serving AZ, CA, NV, and OR

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