

	7(a) Guaranteed Program	504 Loan
USE	<ul style="list-style-type: none"> • Purchase Equipment • Working Capital/Inventory • Business Acquisition • Franchise Financing • Debt refinance (within Guidelines) • Acquisition, expansion, or renovation of owner occupied commercial real estate 	<ul style="list-style-type: none"> • Acquisition, expansion, or renovation of owner-occupied commercial real estate • Equipment with useful life over 10 years
SIZE	\$50,000 to \$5,000,000	\$300,000 to \$15,000,000
TERM	<ul style="list-style-type: none"> • 7 to 25 years, depending on the use of funds <ul style="list-style-type: none"> • Working capital: 7 Years • Equipment: 10 years • Real Estate: 25 years • Typical Structure: <ul style="list-style-type: none"> • 85-90% Bank Loan • 10%-15% Owner equity 	<ul style="list-style-type: none"> • CDC – 10, 20- or 25-year amortization and maturity • Bank <ul style="list-style-type: none"> • Equipment: up to 10-year amortization and maturity • Real Estate: up to 25-year amortization and maturity • Typical Structure <ul style="list-style-type: none"> - 50% Bank Loan - 40% CDC/Debenture - 10% owner equity
INTEREST RATE	<ul style="list-style-type: none"> • Up to P + 3%; depending on credit quality and collateral, adjusted monthly 	<ul style="list-style-type: none"> • Debenture at 10, 20, or 25-year Treasury plus spread (fixed rate for entire term of loan) • Bank portion - fixed or variable rate available, set by Bank
PREPAYMENT PENALTIES	<ul style="list-style-type: none"> • Loans over 15-year maturity have a 3-year prepayment penalty. 	<ul style="list-style-type: none"> • Prepayment penalties apply to the Bank loan and the SBA loan.
ELIGIBILITY	<ul style="list-style-type: none"> • After tax income less than \$5 million on average over last 2 years • Tangible net worth of business less than \$15 million. • Manufacturing - 500 to 1,500 employees • Taxes must be current • Owner user projects only, no investment deals 	<ul style="list-style-type: none"> • Project must be at least 51% owner occupied if existing building; 60% owner occupied if new construction • After tax income less than \$5 million on average over last 2 years • Tangible net worth of business less than \$15 million. • Owner user projects only, no investment deals
COLLATERAL	<ul style="list-style-type: none"> • Business assets (personal assets may be required depending on collateral) • Owners with more than 20% share must provide personal guarantee 	<ul style="list-style-type: none"> • Commercial real estate or equipment, • Personal and/or corporate guarantees required for 20% or more owners
FEES	<ul style="list-style-type: none"> • Bank packaging fee - \$750 - \$2,500 • SBA Guarantee Fee paid to SBA • Normal closing costs 	<ul style="list-style-type: none"> • Bank – 1.5% points on Bank’s loan amount plus normal closing costs
BENEFITS	<ul style="list-style-type: none"> • Low down payment • Longer maturities • No balloon payments • Reduce monthly payments 	<ul style="list-style-type: none"> • Low down payment • Long term maturities, 25 year fixed rate available on SBA portion of real estate loan. • No balloon payments • Reduce monthly payments