



	7(a) Guaranteed Program	504 Loan
<b>USE</b>	<ul style="list-style-type: none"> <li>• Purchase Equipment</li> <li>• Working Capital/Inventory</li> <li>• Business Acquisition</li> <li>• Franchise Financing</li> <li>• Debt refinance (within Guidelines)</li> <li>• Acquisition, expansion, or renovation of owner occupied commercial real estate</li> </ul>	<ul style="list-style-type: none"> <li>• Acquisition, expansion, or renovation of owner-occupied commercial real estate</li> <li>• Equipment with useful life over 10 years</li> </ul>
<b>SIZE</b>	\$50,000 to \$5,000,000	\$300,000 to \$12,000,000
<b>TERM</b>	<ul style="list-style-type: none"> <li>• 7 to 25 years, depending on the use of funds <ul style="list-style-type: none"> <li>• Working capital: 7 Years</li> <li>• Equipment: 10 years</li> <li>• Real Estate: 25 years</li> </ul> </li> <li>• Typical Structure: <ul style="list-style-type: none"> <li>• 85-90% Bank Loan</li> <li>• 10%-15% Owner equity</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• CDC - 10 or 20-year amortization and maturity</li> <li>• Bank <ul style="list-style-type: none"> <li>• Equipment: up to 10 year amortization and maturity</li> <li>• Real Estate: up to 25 year amortization and maturity</li> </ul> </li> <li>• Typical Structure <ul style="list-style-type: none"> <li>- 50% Bank Loan</li> <li>- 40% CDC/Debenture</li> <li>- 10% owner equity</li> </ul> </li> </ul>
<b>INTEREST RATE</b>	<ul style="list-style-type: none"> <li>• Up to P + 2.75%; depending on credit quality and collateral, adjusted monthly</li> </ul>	<ul style="list-style-type: none"> <li>• Debenture at 10-or 20 year Treasury plus spread (fixed rate)</li> <li>• Bank portion - fixed or variable rate available, set by Bank</li> </ul>
<b>PREPAYMENT PENALTIES</b>	<ul style="list-style-type: none"> <li>• Loans over 15 year maturity have a 3 year prepayment penalty.</li> </ul>	<ul style="list-style-type: none"> <li>• Prepayment penalties apply to the Bank loan and the SBA loan.</li> </ul>
<b>ELIGIBILITY</b>	<ul style="list-style-type: none"> <li>• After tax income less than \$5 million on average over last 2 years</li> <li>• Tangible net worth of business less than \$15 million.</li> <li>• Manufacturing - 500 to 1,500 employees</li> <li>• Taxes must be current</li> <li>• Owner user projects only, no investment deals</li> </ul>	<ul style="list-style-type: none"> <li>• Project must be at least 51% owner occupied if existing building; 60% owner occupied if new construction</li> <li>• After tax income less than \$5 million on average over last 2 years</li> <li>• Tangible net worth of business less than \$15 million.</li> </ul>
<b>COLLATERAL</b>	<ul style="list-style-type: none"> <li>• Business assets (personal assets may be required depending on collateral)</li> <li>• Owners with more than 20% share must provide personal guarantee</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial real estate or equipment, with personal and/or corporate guarantees</li> </ul>
<b>FEES</b>	<ul style="list-style-type: none"> <li>• Bank packaging fee - \$750 - \$2,500</li> <li>• SBA Guarantee Fee paid to SBA. No SBA Guarantee Fee for loans under \$150,000 starting 10/1/2014.</li> <li>• Normal closing costs</li> </ul>	<ul style="list-style-type: none"> <li>• Bank – 1.5% points minimum; plus normal closing costs</li> </ul>
<b>BENEFITS</b>	<ul style="list-style-type: none"> <li>• Low down payment</li> <li>• Longer maturities</li> <li>• No balloon payments</li> <li>• Reduce monthly payments</li> </ul>	<ul style="list-style-type: none"> <li>• Low down payment</li> <li>• Long term maturities</li> <li>• No balloon payments</li> <li>• Reduce monthly payments</li> </ul>