

YOUR SBA 504 LOAN GUIDE

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

504 BENEFITS FOR BUSINESSES

As little as 10% down payment to preserve working capital

No additional collateral required

Decreased risk for lenders

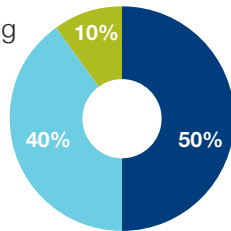
No limit on total project costs

Below-market FIXED rates, 10-25 year terms

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 placed 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 a special-use property

How Funds May Be Used

- Acquisition of an existing building (51% occupancy)
- Building expansion or renovation
- Heavy equipment
- Land and new construction (60% occupancy)

ARE YOU QUALIFIED?

- ✓ Most private, for-profit businesses are eligible
- ✓ Business must occupy at least 51% of the property
- ✓ Business NET WORTH less than \$15 million and NET PROFIT after tax (2 year average), no more than \$5 million

-or-

Alternative size standards based on number of employees may be substituted

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TMC is a leading Certified Development Company (CDC)

WHY CHOOSE 504 FINANCING?

- Did You Know?** - Most privately held companies are eligible for SBA financing.
You - SBA 504 Program provides up to 90% financing that helps owners preserve working capital
Know? - SBA 504 provides special savings for U.S. Veteran-owned businesses

	504	7A	CONVENTIONAL
Project Size	No Maximum	Maximum Loan Amount \$5 MM	No Maximum
Down Payment	10% Minimum	10 - 15% Minimum	25 – 40%
Fees	Included in SBA Loan Amount at approx. 2.65%	Paid out of pocket at 2% to 3.75% of the Loan Amount	Paid out of pocket at approx. 1%
Interest Rates	SBA 2 nd Loan at Below-Market, Fixed Rate for 25 Years	Typically Variable Rate Tied to Prime	Varies by Lender
Collateral	No Additional Collateral Required	Additional Collateral Typically Required for 90% Financing	Typically No Additional Collateral
Prepayment Penalty	Yes — 10 years, declining each year	Yes — Typically 3 years	Varies by Lender

See your monthly 504 payments: calculator.tmcfinancing.com

Why Choose TMC?

- 40 years specializing in SBA 504 Financing
- Quick and efficient decision-making
- Seamless coordination throughout the entire process
- Local teams who know your challenges and needs
- #1 SBA 504 Lender in the nation

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