

## QUICK REFERENCE GUIDE TO COMMON SBA LOAN PROGRAMS WE OFFER

Program	Maximum loan amount	Percent of guaranty	Use of proceeds	Maturity	Maximum interest rate	Guaranty fees	Who qualifies	Benefits to borrowers
<b>7(a) Loan</b>	\$5 million	85% guaranty for loans of \$150,000 or less; 75% guaranty for loans greater than \$150,000 (up to \$3.75 million-maximum guaranty)	Term loan. Expansion/renovation; New construction, purchase land or buildings; Purchase equipment, fixtures, leasehold improvements; Working capital; refinance debt for compelling reasons; Seasonal line of credit, inventory	Based on ability to repay. Generally, working capital & machinery & equipment (not to exceed life of equipment) is 5-10 years; real estate is 25 years	<p><b>Loans less than 7 years</b></p> <p>\$0 - \$25,000: Prime + 4.25%; \$25,001 - \$50,000: Prime + 3.25%; Over \$50,000: Prime + 2.25%</p> <p><b>Loans 7 years or longer</b></p> <p>0 - \$25,000: Prime + 4.75%; \$25,001 - \$50,000: Prime + 3.75%; Over \$50,000: Prime + 2.75%</p>	<p>Fee charged on guaranteed portion of loan only</p> <p>Maturity: 1 year or less 0.25% guaranty fee; Over 1 year: \$150,000 gross amount or less = 2.0%; \$150,001 - \$700,000 = 3.0%; Over \$700,000 = 3.5%; 3.75% on guaranty portion over \$1 million.</p>	<p>Must be a for profit business and meet SBA size standards; Show good character, credit, management, and ability to repay.</p> <p>Must be an eligible type of business.</p> <p>Prepayment penalty for loans with maturities of 15 years or more if prepaid during first 3 years. (5% year 1, 3% year 2, and 1% year 3)</p>	<p>Long-term financing; Improved cash flow; Fixed maturity; No balloon payments; No prepayment penalty (under 15 years)</p>
<b>SBAExpress</b>	\$350,000	50%	May be used for revolving lines of credit or for a term loan	Revolving plus term out can only have a maturity up to 10 years	Loans \$50,000 or less: Prime + 6.5%; Loans over \$50,000: Prime + 4.5%	Same as 7(a)	Same as 7(a)	Fast turnaround, streamlined process and easy-to-use line of credit
<b>504 Loans</b>	504 CDC maximum amount ranges from \$5 million to \$5.5 million depending on type of business	<p>Project costs financed as follows:</p> <p>CDC: Up to 40% non-guaranteed financing</p> <p>Lender: 50% equity; 10% plus additional 5% if new business and/or 5% if special use property</p>	<p>Long-term, fixed-asset loans; Lender (non-guaranteed) financing secured by first lien on project assets</p> <p>CDC loan provided from SBA 100% guaranteed debenture sold to investors at fixed rate secured by 2nd lien</p>	<p>CDC loan: 10-, 20-, or 25-year term fixed interest rate</p> <p>Lender loan: (unguaranteed) financing may have a shorter term; May be fixed or adjustable interest rate</p>	<p>Fixed rate on 504 loan established when debenture backing loan is sold</p> <p>Declining prepayment-penalty for 1/2 of term</p>	<p>SBA guaranty fee on debenture is 0%. A participation fee of 0.5% is on lender share, plus CDC may charge up to 1.5% on their share. CDC charges a monthly service fee of 0.625%-2.0% on unpaid balance.</p> <p>Ongoing guaranty fee is 0.4517% of principal outstanding. Ongoing fee % doesn't change during term.</p>	<p>For profit businesses that do not exceed \$15 million in tangible net worth and do not have an average two full fiscal year net income over \$5 million</p> <p>Owner occupied 51% for existing or 60% for new construction</p>	<p>Low down payment: Equity (10-20%); Equity contribution may be borrowed</p> <p>Fees can be financed</p> <p>SBA portion:</p> <ul style="list-style-type: none"> <li>• Long-term fixed rate</li> <li>• Full amortization</li> <li>• No balloon payments</li> </ul>

