



TMC Development

SBA 504 FACT SHEET

- **90% Financing:** For real estate acquisition, construction and renovation.
- **Rate:**
 - 1st Mortgage: Bank - Fixed or adjustable rates available.
 - 2nd Mortgage: SBA - Below market, 20 year, fixed rate which tracks long term treasury rates. Rate is determined at the time of SBA funding, not at the close of escrow.
- **Term:**
 - 1st Mortgage: Bank - Minimum of 10 years required.
 - 2nd Mortgage: SBA - 20 years fully amortized.
- **Amount:**
 - 1st Mortgage: Bank - Up to 65% LTV available.
 - 2nd Mortgage: SBA –
 - \$1.5 million max: Job Creation and Community Dev Goals
 - \$2 million max: Public Policy Goals
 - \$4 million max: Manufacturers
- **Prepayment:**
 - 1st Mortgage: Bank - Penalty or no penalty available.
 - 2nd Mortgage: SBA - Penalty is a declining percentage of the balance for the first 10 years.
- **Fees:**
 - 1st Mortgage: Bank - Points vary (approximately 1.5%).
 - 2nd Mortgage: SBA - 2.15% included in loan amount.
- **Owner/User:** Business applicant must be the primary user of the building (minimum 51% for existing facilities and 60% for new construction required). The property may be owned by the business or a holding entity and leased to the business.
- **Eligibility:** Size Standards vary by industry. Net worth cannot exceed \$7.5 million. Net profits after taxes cannot exceed \$2.5 million. Job creation or meeting national development objectives is required to qualify.
- **Timing:**
 - ALP: 60 - 90 days
 - PCLP: As little as 15 days