



# SBA 504 LOANS

AM I A GOOD CANDIDATE FOR THE 504?

## Who Is a Typical Borrower?

What type of borrower is a good candidate for an SBA 504 Loan? Just about any for-profit business located in the U.S. that is looking to build, buy, or improve a commercial property, purchase equipment or refinance commercial mortgage debt.

Medical/Professional	Retail/Service	Industrial	Other
Doctor's Offices	Restaurants	Recycling Facilities	Bowling Alleys
Veterinarian Offices	Retail Stores	Food Manufacturing	Funeral Homes
Dentists	Health Clubs	Steel Production	Car Washes
Attorneys	Day Care Providers	Packaging Company	Assisted Living
Accountants	Car Washes	Commercial Printers	Grain Elevators
Chiropractors	Farmers Markets	Machine Shops	Livestock Feedlots
Architects	Boutiques	Freight & Transport	Mini-Storage
Graphic Designers	Auto Repair Shops	Wholesalers	Rehab Facility
Physical Therapists	Convenience Stores	Mass Production	Recreation Facility

## How is the SBA 504 Typically Used?

Expansions	Refinancing	Green Energy
Equipment purchases	Real Estate loans	New builds with sustainable energy
Building acquisitions	Lines of credit	Energy efficient upgrades
Land purchases	Consolidate multiple loans	Energy generating equipment
New construction	Obtain working capital	
Leasehold improvements		
Furniture & fixtures		
<i>How the 504 Helps</i>	<i>How the 504 Helps</i>	<i>How the 504 Helps</i>
Long-term fixed rates	Eliminates balloon payments	Removes \$ limit on 504 portion
Predictable payments	Fully amortized	Borrowers can take multiple loans
No future balloons	Existing equity often covers the down payment	Slashes the bank's risk to 50%
Low down payments	Can provide a cash-out option	Up to \$5.5 million per project

Founded in 1992, Growth Corp is the largest provider of SBA 504 commercial real estate financing in Illinois. As a non-profit development company certified by the U.S. Small Business Administration to originate SBA 504 Loans in Illinois and its surrounding areas, Growth Corp has helped thousands of small and medium-sized businesses facilitate expansion.

## What are the Benefits?

SBA 504 loans are attractive to borrowers because they offer a great opportunity for fixing occupancy costs with a long-term, fixed-rate loan and a minimal down payment. More and more borrowers are seeing the upside to buying their properties, or refinancing into long-term, fixed-rate loans, while interest rates are low.

- Low down payment (10% in most cases)
- Low, fixed interest rate
- Long loan terms (10-, 20- or 25-years)
- Includes soft costs (furniture, fixtures and fees)
- Preserves working capital
- Protection from balloon payments
- Can include leasehold improvements
- Payment stability

## Will Your Project Qualify?

If you answer "yes" to the following questions, your project will likely qualify for the 504 Loan Program:

- Will the project finance fixed assets such as building construction, the purchase of an existing building and/or long-term equipment?
- Is the business for-profit and located in the United States?
- Does the business, including affiliates, have a tangible net worth of less than \$15 million and after-tax profits, averaged over the last two years, of less than \$5 million?
- Will the business occupy at least 51% of the project property for existing buildings or 60% of the project property for new construction? Or, will the equipment be used for business operations?

