



# SBA 504 LOANS

COMMERCIAL REAL ESTATE | EQUIPMENT | REFINANCE

## When the Time Comes To Expand, Think SBA 504...

- ✓ You're buying or constructing real estate
- ✓ You need to finance heavy machinery or equipment
- ✓ You are looking to refinance a commercial loan(s)
- ✓ An owner wants to sell his/her share of real estate
- ✓ You want to preserve working capital
- ✓ You're facing a balloon payment
- ✓ You are looking to add multiple locations
- ✓ A 25-yr loan could help you manage cash

### AUGUST 2019 - SBA 504 - FIXED EFFECTIVE RATES

25-YEAR	20-YEAR	10-YEAR	REFI
3.63%	3.53%	3.92%	+0.04%

*The 504 Loan Program offers SBA guaranteed funds through a partnership with local banks for financing new buildings, new equipment, major renovations, or refinancing. Whether it's projects totaling \$500,000 or north of \$5 million, the mission of this program is to help businesses expand.*

## Proof the 504 Loan Program Works...

**130,000+ LOANS**

Number of 504 Loans approved for Small Businesses since 1991

**\$75+ BILLION**

Amount of capital leveraged for Small Businesses since 1991

**2.1+ MILLION**

Number of jobs created or retained since 1991

## 12 Benefits of SBA 504 Loans...

- ✓ Low down payments - usually just 10%
- ✓ Low, fixed interest rates
- ✓ Long loan terms (25-, 20- or 10-year terms)
- ✓ The ability to include furniture, fixtures and fees
- ✓ An option for refinancing commercial debt
- ✓ Payment stability
- ✓ Protection from balloon payments
- ✓ Preservation of working capital
- ✓ The ability to include leasehold improvements
- ✓ Up to \$5 million for 504 portion
- ✓ The freedom to use the 504 multiple times
- ✓ The ability to keep your current bank/lender

# SBA 504 LOAN PROGRAM

## What Can SBA 504 Loans Be Used For?

Proceeds from SBA 504 Loans can be used for purchasing land and its improvements (including grading, street improvements, utilities, parking lots and landscaping); construction of new facilities; modernizing, renovating, or converting existing facilities; or purchasing machinery and equipment. Proceeds can also be used to refinance existing qualified debt.

## CASE STUDY



### CHALLENGE

A manufacturing firm had outgrown their leased facility and needed to move to a larger building. While purchasing the real estate made sense, allocating the cash for a down payment was a problem.



### SOLUTION

Utilizing the 504 Loan Program, 90% of the project costs were financed thereby conserving the company's cash and preserving the necessary working capital to support continued growth.



### RESULT

The combined monthly payment on the acquisition of their new building is actually less than their lease payment was and the company was able to stay local. In addition, with more space they expanded production and added 5 new, full-time jobs.

SBA 504 Loans Feature  
LONG-TERM FIXED RATES...



## PROJECT SPECIFIC 504 SOLUTIONS

Expansions	Refinancing	Green Energy
Equipment purchases	Real Estate loans	New builds w/ 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=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



*"It is nearly impossible to drive through our state and not see businesses that have funded their growth, and, thus, positively impacted communities, by use of the 504."*

## WHY GROWTH CORP?

**Because we help get deals done.** Growth Corp is the top CDC in Illinois, the largest 504 Lender in Chicago, and a top ten 504 Lender nationwide. In addition, Growth Corp has earned an Accredited Lender status with SBA, which grants us the ability to expedite the processing of loan approvals and closings.

**877-BEST 504**  
[www.GrowthCorp.com](http://www.GrowthCorp.com)