



ECONOMIC AID ACT

SBA Fee Elimination

SBA 504 Loan Program

877-BEST 504
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GROWTH CORP SAMPLE 504 PROJECT STRUCTURE

APR 2021 - SBA 504 - FIXED EFFECTIVE RATES			
25-YEAR	20-YEAR	10-YEAR	REFI
3.07%	3.02%	2.68%	+0.0348%

Put simply, there's nothing else on the market quite like the 504 Loan Program. It offers borrowers the ability to lock in low, fixed rates for up to 25-years and minimizes down payment requirements. Add to that the significant fee saving and 3 months of payment subsidies made possible by the Economic Aid Act, and this truly becomes a once-in-a-lifetime opportunity.

Temporary Fee Elimination

The legislation eliminates the:

- 1.5% CDC Processing Fee
- 0.5% Third Party Lender Participation Fee

in debenture pricing for all loans approved from December 27, 2020 through September 30, 2021.

3 Months of Payment Subsidies

New loans approved from February 1, 2021, through September 30, 2021, will receive three months of payment assistance, capped at \$9,000 per borrower per month, subject to the availability of funds.

USE OF PROCEEDS					NOTES	
Purchase Price				\$	2,500,000	
TOTAL PROJECT COST				\$	2,500,000	
SOURCE OF FUNDS						
Bank/1st Mtg	50.0%	1st		\$	1,250,000	
CDC/SBA	40.0%	2nd		\$	1,000,000	
Equity	10.0%			\$	250,000	
Other		3rd				
TOTAL					\$2,500,000	
LOAN FEES						
Included in 504 Loan:						
Net Proceeds				\$	1,000,000.00	
SBA Guarantee Fee (.5% FY19)				\$	5,000.00	
CDC Fee (temporarily waived - typically 1.5%)				\$	-	
Closing Cost				\$	2,500.00	
Funding Fee (.25%)				\$	2,500.00	
Sub-total				\$	1,010,000.00	
Underwriting Fee (20Y: 0.400%, 10Y: 0.375%)				\$	4,060.00	
Total				\$	1,014,060.00	
GROSS DEBENTURE (rounded up to nearest \$1,000)				\$	1,015,000.00	
Cash Returned to the Borrower				\$	940.00	
One-Time Out-of-Pocket Expenses						
Application Deposit (due at application) *				\$	1,000.00	
Closing Deposit (1% 504, no less than \$2500) *				\$	10,150.00	
Third Party Lender Fee (temporarily waived - typically 0.5% 1st Mtg)				\$	-	
* Application Deposit and Commitment Fee will be used to cover 504 Loan closing costs. Any balance is refunded to the borrower.						
					Fee Savings	
					\$15,000.00	
					\$6,250.00	
					\$21,250.00	
DEBT SERVICE						
	Amount	Interest Rate	Term (Y)	Amort (Y)	Mo Payment	Lien Position
BANK**	\$1,250,000	4.00%	10	20	\$7,575	1st
CDC/SBA***	1,015,000	3.02%	20	20	\$5,639	2nd
OTHER						3rd
EQUITY	250,000					
TOTAL	\$2,515,000					
					Total New Debt Service/Month:	\$13,214
					Total New Debt Service/Year:	\$158,569
						Paid by SBA for three months
** ESTIMATED BANK RATE AND TERM.						
*** ACTUAL RATE IS DETERMINED WHEN DEBENTURE IS SOLD.						

This is a sample. SBA determines final loan structure and fees. Contact Growth Corp for details.

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