

In order to qualify for either the SBA 504 or 7(a) program, the business must have a demonstrated need for credit in addition to a net worth of less than \$15 million and a net profit of no more than \$5 million (two year average after taxes).

	SBA 504 LOANS	SBA 7(a) LOANS
ELIGIBLE USES	<ul style="list-style-type: none"> <li>○ Buy, build or renovate commercial real estate</li> <li>○ Purchase capital equipment and machinery</li> <li>○ Refinance conventional commercial real estate and equipment debt</li> </ul>	<ul style="list-style-type: none"> <li>○ Start, expand or acquire a business</li> <li>○ Buy, build or renovate commercial real estate</li> <li>○ Refinance existing debt</li> <li>○ Purchase furniture, fixtures and equipment</li> <li>○ Working capital &amp; inventory</li> <li>○ Lines of credit</li> </ul>
LOAN AMOUNT	<ul style="list-style-type: none"> <li>○ A maximum 40% of a total projects cost, up to \$5MM (<i>\$5.5MM for manufacturers or projects qualifying for the SBA's energy efficiency public policy goal</i>)</li> </ul>	<ul style="list-style-type: none"> <li>○ Up to \$5MM with a maximum SBA guaranty of \$3.75MM</li> </ul>
DOWN PAYMENT	<ul style="list-style-type: none"> <li>○ 10% for established business in a multi use building, or equipment purchases</li> <li>○ 15% for start-ups, change of ownership or a special use property</li> <li>○ 20% for start-ups in a special use property</li> </ul>	<ul style="list-style-type: none"> <li>○ Determined by the lender based on the type of business, experience of the management and the level of competition</li> </ul>
INTEREST RATES & TERMS	<ul style="list-style-type: none"> <li>○ Fixed for 25, 20 or 10 years on commercial real estate and 10 years on equipment</li> <li>○ Fully amortized for the life of the loan</li> </ul>	<ul style="list-style-type: none"> <li>○ Fixed, variable and combination rates available</li> <li>○ Loan terms up to 10 years for most requests, or up to 25 years for long-term equipment or commercial real estate</li> <li>○ The useful life on equipment</li> </ul>