

SBA 504 REFINANCE GUIDE

Boost your loan production with 504 Refi.

The SBA 504 Refinance Loan program is an opportunity for small businesses owners to refinance their existing commercial real estate loan, which functions under the same terms as a typical SBA 504 loan program.

KEY GUIDELINES

- Can refinance owner-occupied commercial real estate or long-term equipment
- Maximum refinance LTV - 90% of the value of collateral pledged for existing mortgage or secured debt(s). Cross collateralization of other fixed assets is allowed to get to 90%. Maximum refinance LTV - 85% of the value of collateral pledged when mortgage refinance request also includes "Eligible Business Expenses"
- Cash out is allowed and can be used for Eligible Business Expenses incurred within 18 months and cannot be more than 20% of the total project with a loan to value of 85%. Renovations and equipment cannot be funded with the cash out, but repairs may be eligible
- Loan(s) to be refinanced must be at least six months old
- Business must be operating for two full years or more
- An appraisal dated within 12 months will be required
- Business must be at 51% occupancy at the time of application submission
- Existing SBA 504 or 7(a) loans may be eligible to refinance under certain circumstances



Interested in learning more?
Sign into our lender portal to schedule a meeting with our loan experts.

BENEFITS

- Boost your bank's loan production
- Minimize risk by limiting your bank's exposure to 50% of total 504 loan
- Generate new fee income coupled with a quality portfolio loan
- Free up your client's trapped capital
- Combined LTV (1st & 2nd) up to 90%
- Up to 25-year, below-market, fixed interest rate for the 504 loan