



SBA 504 LOAN PROGRAM

Fixed Asset Financing For Growing Businesses

504 Project Structuring Tips

Contact a Self-Help 504 loan officer near you for details:

Charlotte NC Region:

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(704) 409-5914 or Ext. 5915

Sandhills NC Region:

Allen Cofiori, Fayetteville
(800) 774-7966 (910) 354-1015

Northeastern NC Region:

Gerry Blood, Greenville
(800) 893-9669 (252)752-2203

Southeastern NC Region:

Louis Rogers, Wilmington
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Triad NC Region:

Anna Tefft
Greensboro & Winston-Salem
(800) 269-7426 (336) 478-2611

Triangle NC Region:

Joe Osowski, Durham
(800) 476-7428 (919) 956-4493

Western NC Region:

Tom Byers, Asheville
(800) 229-7428 (828) 253-2813

Hard costs for fixed-asset acquisition are eligible:

- ✓ Land
- ✓ Acquisition of land and existing building
- ✓ Construction and upfit
- ✓ Eligible equipment: 10-year useful life, no rolling stock

We can include “soft costs,” such as:

- ✓ Design fees
- ✓ Appraisal
- ✓ Environmental review
- ✓ Closing costs
- ✓ Lender origination fee
- ✓ Interest during construction/interim period
- ✓ Contingency reserve (as needed for project)

Limits on CDC Participation:

- ✓ \$1.5 million 504 loan maximum for most customers
- ✓ \$2 million maximum for customers that meet SBA public-policy goals
- ✓ \$4 million maximum for manufacturers (typically businesses in NAICS Codes 31-33)
- ✓ We must factor in any other existing SBA debts in determining maximum eligibility of any one borrower

What constitutes an “equity injection”?

- ✓ Cash invested by business owner is standard source of downpayment
- ✓ Owners cannot pledge outside collateral – i.e., offer a lien on a vacation home – in lieu of investing cash into the 504 project
- ✓ Owners can count previous expenses on a project – i.e., land downpayments and initial architectural drawings – toward the needed downpayment
- ✓ If owner has owned project land or building for 2 years or more, Self-Help can use existing appraised value as “base” value for project structure – and give owner credit for appreciation on these project assets



VENTURES FUND

www.self-help.org

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504Loans@Self-Help.org (800) 476-7428