



SBA 504 LOAN PROGRAM

Fixed Asset Financing For Growing Businesses

Contact a Self-Help 504 loan officer n

Charlotte NC Region:

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

Western NC Region:

Tom Byers, Asheville
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KEY FACTS

- Fixed-rate loan for real estate or heavy-duty equipment
- Down payment as low as 10%
- Low monthly payments
- Project's soft costs and fees can be financed
- For growing or start-up for-profit companies

What projects can use a 504? Who are typical 504 borrowers?

- Common uses for a 504 loan are construction, purchase and/or renovation of a business facility
- Also possible for the purchase of heavy-duty equipment
- Project sizes can be \$7-8 million; \$12 million for manufacturers
- Our borrowers include retail stores, professional offices, service businesses, hotels, restaurants, child care centers, recreation and entertainment facilities, auto repair businesses and MORE

How is the loan package structured?

It's a partnership of a regulated lender (typically a bank), Self-Help, the SBA and the business owner. Together we finance the project:

- The lender (bank) provides a permanent mortgage for 50% of the total project. It also covers interim financing for up to 90% of total project costs
- Self-Help administers the SBA's funds, which cover up to 40% of permanent financing for project costs. The 504 loan can typically cover up to \$1.5 million of total project costs. In some cases up to \$2 million. For manufacturers, the max is \$4 million.
- The business owner provides an equity injection of at least 10%. Start-ups or special use facilities require at least 15%

What are the terms and rates for SBA 504 financing?

- Real estate-based projects have 20-year terms
- Equipment-based projects have 10-year terms
- The interest rate is determined when the 504 loan funds
- The regulated lender prices its own loan and sets its loan term

Is it difficult to apply for an SBA 504 loan?

- No. Self-Help has more than 10 years of experience with the 504 program and our loan officers are experts
- We complete all SBA applications, reducing paperwork for the borrower and the lender
- Plus, if the lender and borrower consult Self-Help early in the project formulation process, we can advise how to structure the project so it is in line with SBA rules and regulations. This can help reduce the time to completion



VENTURES FUND

www.self-help.org

North Carolina's #1 SBA 504 Lender
504Loans@Self-Help.org (800) 476-7428