

SBA 504 Permanent Refinance

Long term loans for small businesses needing to improve cash flow & fund certain business operating expenses for their future growth. Available throughout Ohio & eastern Indiana.

ELIGIBLE USES OF FUNDS

- Refinance of existing non-federally funded loans for real estate and capital equipment in place for at least 2 years
- Finance eligible business operating expenses*

TYPICAL STRUCTURE

- 50% from private sector lender (third party lender, or TPL); TPL loan must be equal to or greater than the BizCap 504 loan
- 40% from BizCap (504 loan)
- 10% equity is determined by an appraisal on the fixed assets to be refinanced.

MAXIMUM LOAN AMOUNT

- \$5 million (standard 504 loan maximum)
- \$5.5 million (loans to small manufacturers & for projects meeting the public policy goal of energy reduction or alternative fuels)

TERM

- 10, 20 or 25 years for real estate
- 10 years for equipment

INTEREST RATE

- Competitive fixed rate for term of loan

COLLATERAL

- Second mortgage or lien on assets purchased with the loan
- Other collateral may be required

REQUIREMENTS

- Business must be a for-profit corporation, partnership, or proprietorship
- Net worth of business must not exceed \$15 million, & average annual profit after tax may not exceed \$5 million for last 2 years
- Personal and/or corporate guarantees
- One job created or retained for every \$75,000 loaned (\$120,000 for “small manufacturing”); creation must occur within 2 years of closing; no job commitment required for projects meeting a federal public policy objective*
- Debt being refinanced must have been current, none past 30 days, within the last 12 months

INELIGIBLE BUSINESSES

- Passive investment companies, not-for-profit corporations, unregulated media firms, lending institutions, gambling, amusement parks, and real estate investment companies
- Businesses in operation less than 2 years
- Businesses with an ownership change within the last 2 years

FEES

- \$500 loan application deposit – due at application for loan; will be refunded at loan closing
- Approx. 2.60% loan issuance fee (financed into your 504 loan)
- ½% fee on the loan balance (to be paid by your lender at or near the loan closing)
- BizCap closing costs including title search & insurance fees, legal fees, filing fees, etc.; \$2,500 of these costs may be financed in with the loan.

* See your BizCap lender for more information.