

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 business tangible net worth not to exceed \$20 million and average net income not to exceed \$6.5 million.

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