

	SBA 7(a) Loan Program	SBA 504 Loan Program
Project Amount	\$250,000 to \$5,000,000	\$500,000 to \$6,000,000
Use of Proceeds	Commercial real estate (acquisition, construction, refinance, expansion), equipment, furniture, fixtures, inventory, leasehold improvements, working capital	Commercial real estate (acquisition, construction, refinance, expansion), equipment, furniture, fixtures
Eligibility	Net worth below \$15 million and average net income for previous 2 years less than \$5 million	Net worth below \$15 million and average net income for previous 2 years less than \$5 million
Terms	Up to 25 years for commercial real estate Up to 10 years for equipment and business acquisitions Up to 7 years for working capital All loans are fully amortized over the term of the loan	1 st Lien: Up to 25 years for commercial real estate 2 nd Lien: Up to 20 years for real estate 1 st & 2 nd Liens: Up to 10 years for equipment All loans are fully amortized over the term of the loan
Interest Rates	Variable rate based on a spread over the WSJ prime rate; maximum spread cannot exceed WSJ Prime + 2.75%	SWS, FSB 1 st Lien: Variable rates SBA 504 2 nd Lien: Fixed rate set by the SBA (for the term of the loan)
Loan to Value	Up to 90%	Up to 90%
Fees	One time SBA loan guarantee fee based upon guaranteed amount. No loan origination fee.	SWS, FSB 1 st Lien: Set by the lender SBA 504 2 nd Lien: Set by the lender and CDC/SBA
Equity Injection	As low as 10% on multi purpose commercial real estate	10% standard; +5% if special use; +5% if start-up
Other Costs	Real estate and equipment appraisals, environmental reports, business valuations, customary legal and closing costs as applicable	Real estate and equipment appraisals, environmental reports, business valuations, customary legal and closing costs as applicable
SBA's Participation	SBA guarantees loan up to 75%	CDC/SBA 2 nd Lien is direct funding from SBA Debenture guaranteed 100% by SBA
Prepayment Penalty (PPP)	5% the first year, 3% the second, 1% the third. Payments up to 25% of the outstanding loan balance will not incur a PPP (on terms of 15 years and greater).	SWS, FSB 1 st Lien: Set by the lender SBA 504 2 nd Lien: 10 year PPP based on declining balance of debenture rate
Occupancy Requirements	Borrower to occupy 60% on new construction and 51% on existing property	Borrower to occupy 60% on new construction and 51% on existing property
Job Requirement	None	Minimum of one job per \$50,000 of debenture (2 nd Lien)
Recourse	Personal guarantees required for all individuals owning 20% or more. Corporate guarantees may be required for affiliated companies.	Personal guarantees required for all individuals owning 20% or more. Corporate guarantees may be required for affiliated companies.
Benefits for Borrowers	<ul style="list-style-type: none"> ▪ Finance up to 90% of the project for multi purpose commercial real estate ▪ Low equity contribution helps preserve working capital ▪ Fully amortizing loans ▪ Some soft costs may be rolled into the project financing 	<ul style="list-style-type: none"> ▪ SWS, FSB will finance up to 50% of the project at a long term, variable rate ▪ CDC will finance up to 40% of the project at a fixed rate ▪ Low equity contribution helps preserve working capital ▪ Some soft costs may be rolled into the project financing