

SWS | **SOUTHWEST**
GROUP | **SECURITIES, FSB**
A Full Service Bank
Building what you value.®

SBA 504 Loan Program

Project Amount	\$500,000 to \$6,000,000
Use of Proceeds	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
Terms	1 st lien: Up to 25 years for commercial real estate 2 nd lien: Up to 20 years for commercial 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	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%
Fees	SWS, FSB 1 st lien: Set by the lender SBA 504 2 nd lien: Set by the lender and CDC/SBA
Equity Injection	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
Prepayment Penalty (PPP)	SWS, FSB 1 st lien: Set by the lender SBA 504 2 nd lien: 10 year PPP based on declining balance of debenture rate
Recourse	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"> ▪ 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