

SBA 504 Loan Program



LiftFund is a nonprofit, economic development organization certified by the U.S. Small Business Administration (SBA) to process, administer and service SBA 504 loans in the State of Texas.

What's a 504?

- 504 is a loan program created by the SBA to finance the commercial real estate and equipment needs of small businesses
- The program offers a long-term, competitive fixed interest rate
- It's designed to assist for-profit businesses operating in the U.S.

Why Successful Lenders Use 504

- Participating lenders receive a "first lien" position on project property
- A low loan-to-value strengthens lender's loan portfolio
- The program's fixed interest rate can help the lender be more competitive
- Most soft costs may be rolled into the project financing
- A secondary market provides additional income opportunities
- Helps to get projects done when borrowers don't have enough equity

LiftFund's Five C's of Economic Development

What Can 504 Finance?

- Purchase of land (with intention to build)
- Purchase of existing building
- Construction of new buildings
- Renovating, expanding, or upgrading existing buildings
- Machinery and equipment with useful life of 10 or more years
- Some furniture, fixtures and equipment
- Debt Refinancing

How Much Does the Borrower Need to Put Down?

- 10% (in most cases)
- 15% for start-up businesses (less than 2 years) or special-purpose facilities
- 20% if the project is both a start-up and a special-purpose facility

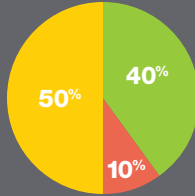
How Much Can a Business Borrow?

There is no limit to the total project cost. However, the SBA portion of the 504 financing cannot exceed:

- \$5 million
- \$5.5 million for manufacturers or green energy efficiency projects
- There is no maximum limit placed on a participating lender's loan portion

Typical Financing Structure

- Bank Loan (1st Lien)
- SBA/CDC Loan (2nd Lien)
- Owner's Equity



504 Cannot be Used for:

- Working capital
- Inventory
- Real estate investment properties
- Goodwill
- Automobiles, trucks and other rolling stock
- Tenant improvements
- Franchise fees

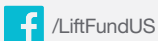
For more information, please contact:

Bob Schraitle
San Antonio
210.885.1292

Cruz Montoya
El Paso/New Mexico
915.490.8010

Mina Penn
San Antonio
210.201.8513

Toll Free 888 215 2373
Liftfund.com



Sample Projects Financed

- Medical/Dental/ Veterinarians
 - Offices and clinics
 - Outpatient surgery centers
 - Hospitals and labs
- Suppliers/Wholesalers
 - General warehouses and cold storage
 - Import/ Export/ Freight-forwarding
 - Food and produce suppliers
- Manufacturers
 - Industrial and consumer
 - Steel and pipe fabrication
 - Food processing
 - Chemical plants
 - Automotive industry suppliers
 - High-tech
- Retail/Franchise Businesses
- And many more...

LiftFund

DREAM IT. FUND IT.

Launching Entrepreneurs for over 20 Years

© 2016 LiftFund, All Rights Reserved.
This institution is an equal opportunity provider and employer.