



SBA 504 LOANS

SMALL BUSINESS LENDING SOLUTIONS

Financing for the Long Term

Seeking business financing? Get the long term, fixed rate financing you need to keep your growing business on the right track.

It's easy with an **SBA 504** loan from U.S. Century Bank – an approved SBA 504 lender and dedicated partner to the South Florida business community

Benefits of an SBA 504 Loan

Small Business Administration 504 loans offer longer terms and fixed rates, which makes them a good option when purchasing capital fixed assets such as commercial real estate, machinery and equipment, or when planning extensive renovations.

- Higher loan amounts
- Low down payment (as low as 10%)
- Longer repayment terms
- Enhanced business cash flow and liquidity preservation
- Predictable monthly payment
- No balloon payment (on SBA portion of the loan)

Eligibility

SBA 504 loan recipients must be existing, for-profit businesses with an average 2-year net worth of \$15 million or less and with after tax profits of less than \$5 million. Owner/user of the project being financed must occupy at least 51% of the property. Other requirements may apply.

Credit Provider

U.S. Century Bank finances 50% of the total project cost. The Community Development Corporation (CDC), through the SBA, finances 40% of the project (up to \$5 million). Owner must provide a minimum 10% down payment towards the project (equity).

Collateral

U.S. Century Bank will hold the first mortgage on real estate and/or secured interest in equipment and machinery. The SBA will hold the second mortgage on real estate or a second secured interest in equipment and machinery.

Interest Rates & Terms

- Below-market, fixed interest rates (no ARMs)
- 10-, 20-, and 25-year terms available for commercial real estate and/or long-life fixed machinery & equipment
- Terms are fully amortized over the life of the loan (no balloons)
- Interest rate locks in when the debenture is funded

Typical Loan Structure

- Finance up to 90% of a project as follows:
 - 50% U.S. Century Bank (1st Mortgage Holder)
 - 40% SBA/CDC (2nd Mortgage Holder)
 - 10% Borrower Equity Injection

Use of Proceeds

- Land and acquisition of existing building or new construction
- FF&E and improvements (parking lots, landscaping, etc.) projects
- Long-life fixed machinery and equipment (construction)
- Debt refinancing (with and without expansion)
- Building expansion/renovation
- Green energy initiative
- Contingency reserve

This is not a commitment to lend. Loans subject to credit approval and credit requirements in participation with the SBA.

SBA 504 Checklist

Corporate Information

- U.S. Century Bank SBA Application
 - SBA Questionnaire
 - Business History Form
 - SBA Form 912 (Statement of Personal History) – Corporation
 - IRS Form 4506–T

- Last two years of Corporate Tax Returns (for any entity you own 20% or more)
- Interim Profit & Loss and related balance sheet (dated within 90 days)
- Debt Schedule (along with aging of AP/AR if applicable)
- Executed Purchase contract/agreement
- Construction Bid and FF&E quotes (if applicable)
- List of business assets/equipment
- Articles of Incorporation, By Laws or Operating Agreement
- Copy of lease

Personal Information

- Resume (for each principal and “key employee”)
- Personal Financial Statements (all owners of 20% or more)
- Last two years of Personal Tax Returns (all pages and schedules along with K1’s)
- Three months of personal bank account statements
- Current Profit and Loss and Balance Sheet (within 90 days of application)
- Permanent Resident Card, front and back (if not US citizen)

In Refinancing Debt

- Debt Schedule listing existing balance, monthly payment and terms of existing loan
- Copy of existing promissory note (to be paid off)
- Most recent statement(s) for loan(s) being refinanced

If less than 2 years in business

- Business Plan
- Two years of cash flow projections **with detailed assumptions and narrative**

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U.S. CENTURY BANK

