

SBA 504 LOAN PROGRAM'S SOURCES AND USES OF FUNDS

USE OF PROCEEDS:

Land Costs	\$ 150,000
Building Costs	\$ 410,000
Equipment Costs	\$ 100,000
Refinance Debt (Limited to 50% of new asset investments)	\$ 330,000
Soft Costs	\$ <u>10,000</u>
Total Uses of Funds	\$ 1,000,000

SOURCE OF FUNDS:

Bank First Lien (50%)	\$ 500,000
504 Loan (30% to 40%)	\$ 400,000
Business Injection (10% to 20%) (Special Use Buildings & Start Up each require 5% more injection)	\$ <u>100,000</u>
Total Sources of Funds	\$ 1,000,000

504 LOAN PRICING:

504 Loan	\$ 400,000
SBA Fees (approximately 2.65%)	\$ 10,600
SBA Closing Costs (estimate)	\$ <u>4,400</u>
Gross 504 Loan	\$ 415,000

TOTAL 504 LOAN FEES:

504 Financed Fees	\$ 15,000
Out-Of-Pocket Bank Guaranty Fee	\$ 2,500
LESS: 504 Corporation Incentive	(\$ 2,000)
Total Estimated SBA Fees	\$ 15,500



A 504 Loan has three participants:

■ Bank Financing	50%
■ 504 Loan	40%
■ Company Injection	10%