



*Serving the State of Ohio*

## **SBA 504 LOAN PROGRAM**

*Fixed asset loans for small business expansion needs that are well-suited for construction and renovation projects and/or equipment purchase that will create or retain jobs.*

### **ELIGIBLE FINANCING USES**

- construction
- purchase of real estate & buildings
- purchase of capital equipment

### **TYPICAL STRUCTURE**

- 50% - from private sector lender
- 40% - from CountyCorp (*guaranteed by the SBA*)
- 10% - equity down payment from the small business (*start-up & limited purpose building may require equity injection up to 20% of project*)

### **MAXIMUM LOAN AMOUNT**

- \$1.5 million (*standard 504 loan maximum*)
- \$2.0 million (*504 loans that meet a federal public policy goal*)
- \$4.0 million (*504 loans to small manufacturers*)

### **TERM**

- 10 or 20 years for real estate; 10 years for equipment

### **INTEREST RATE**

- competitive fixed rate for term of loan

### **COLLATERAL**

- second mortgage or lien on assets purchased with the loan

### **REQUIREMENTS**

- business must be a for-profit corporation, partnership, or proprietorship
- net worth of business must not exceed \$7 million
- average annual profit after tax may not exceed \$2.5 million for last 2 years
- owners of 20% or more must meet personal resource liquidity standard (*call CountyCorp for more information*)
- one job created/retained for every \$50,000 loaned (*\$100,000 for "small manufacturing"*); must be created within 2 years of closing

### **INELIGIBLE BUSINESSES**

- passive investment companies, not-for-profit corporations, unregulated media firms, lending institutions, gambling, amusement parks, and real estate investment companies

### **FEES**

- \$1,500 loan application deposit payable with application (*refundable at closing*)
- 23/4% on amount loaned (*rolled into loan amount*)
- 1/2% fee on first mortgage loan balance (*paid by bank*)
- CountyCorp attorney fees & closing costs such as title insurance, filing fees, etc. (*up to max of \$2,500*) may be financed