

SMALL BUSINESS FINANCING

U.S. SMALL BUSINESS ADMINISTRATION
504 LOAN HIGHLIGHTS



WE PROVIDE
FINANCING FOR:

- Land/Building Acquisition
- Machinery & Equipment
- Expansion
- Building Construction
- Renovation & Modernization

TYPICAL LOAN
STRUCTURE:

- 50% First Mortgage from Private Sector Lender
- 40% Second Mortgage from Utah Certified Development Company ("CDC")
(Guaranteed by the U.S. Small Business Administration)
- 10% Down Payment from Small Business

MAXIMUM
CDC LOAN
AMOUNT:

- \$5,000,000
- Up to \$5,500,000 for small manufacturers
- Private Lender portion unlimited

TERM:

- 10, 20 or 25 years

RATE OF INTEREST:

- Near Long-Term Treasury Bond Rates

COLLATERAL:

- Second Mortgage, or lien on assets purchased with loan proceeds

ADVANTAGES:

- Long Term
- Lower Than Market Rates
- Low Down Payment
- Fixed Rate

ELIGIBILITY
REQUIREMENTS:

- Must be a for-profit Corporation, Partnership, LLC, or Proprietorship
- Net worth of the business must not exceed \$15 million
- Average net profit after tax must not exceed \$5 million for the last 2 years

INELIGIBLE
PURPOSES:

- Working Capital
- Debt Consolidation or Repayment

INELIGIBLE
BUSINESSES:

- Passive Investment Firms
- Unregulated Media Firms
- Gambling
- Real Estate Investment
- Not-for-profit Corporations
- Finance Related Firms
- Amusement Parks

How to Proceed

The following should be prepared for any initial meeting:

- Project Description.
- Estimate of total project costs, including detail on new construction, renovation, machinery, or equipment.
- Purchase agreement or offer to purchase for real estate involved in the project.
- Product description and product literature. Discuss competition, strengths, weaknesses, method of distribution, type of marketing, future plans, and management.
- Financial statement of the company for the past two years, and an interim statement less than 90 days old.
- Personal financial statements of all officers and stockholders with 10% or more ownership in the company.