

ST. LOUIS ECONOMIC DEVELOPMENT PARTNERSHIP

Proudly Serving Missouri and the St. Louis Metro East



SBA 504 Loan Program

Purchasing a building for your business can be a great way for business owners to build equity in their business and to avoid the ever rising lease rates. The SBA 504 Loan program is offered by the St. Louis Economic Development Partnership (SLEDP) through the United States Small Business Administration (SBA). The SLEDP and SBA work with your bank or credit union to provide your business with better financing for a building or equipment purchase.

Program Advantages

Commercial Real Estate Financing

- 20 Year fixed rate and term
- Low down payment (Typically 10%*)
- Below market interest rates
- Reduces risk for participating bank
- Significantly lower fees than SBA 7(a)
- Can typically include improvements, furniture, and equipment into building loan
- Project size from \$150,000 to \$12,500,000

Commercial Equipment Financing

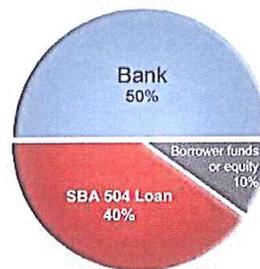
- Longer term financing on equipment
- 10 or 20 Year fixed rate and term
- Low down payment (Typically 10%)
- Delivery and installation costs included in financing
- Term matches useful life of equipment

Sample Project

Example of the typical financing structure of a \$1,200,000 real estate project

<u>Use of Funds</u>	<u>Amount</u>
Acquisition of building	\$800,000
Renovations	\$180,000
Furniture and equipment	\$200,000
Soft Costs (i.e. appraisal, architects fees, closing costs)	\$20,000
Total:	\$1,200,000

<u>Source of Funds</u>	<u>Amount</u>	
Bank/Credit Union	\$600,000	50% 1st Lien
SBA 504 loan	\$480,000	40% 2nd Lien
Borrower down payment	\$120,000	10%
Total:	\$1,200,000	100%



For additional information please contact:

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The SBA 504 loan program is subject to all SBA rules and credit qualifications and approvals. Other conditions and fees may apply.

Equal Housing Lender