

## SBA LOAN COMPARISONS

Loan Features	SBA 7a	SBA 504
Loan Type	General Business Term Loan	Fixed Asset Term Loan
SBA Involvement	75% guarantee of loan provided by Bank	Bank provides 50% first loan SBA provides 40% second
Maximum Loan Amount	Up to \$5 million	SBA loan up to \$5 million (Project/Acquisition budget can be up to \$12 million)
Uses	Expansion and Tenant Improvements, Business Acquisition, Working Capital, Equipment, Inventory	Commercial Real Estate, Major Renovations, New Construction, Major Equipment
Loan Term	Typically 7-12 years, fully amortizing	Bank loan – at least 10 years, amortized up to 30 SBA loan – 20 years fully amortizing
Interest Rate Options	Variable or fixed rate	Bank loan - Variable or fixed rate SBA Loan - Fixed rate
Borrower Equity Injection/Loan-to-Value Requirement	Up to 80% loan Borrower invests at least 20% in business	Up to 90% (loans in the aggregate) Borrower invests 10% in project/acquisition
Guarantees	Principals with over 20% interest in business	Principals with over 20% interest in business Operating entity if holding company owns real estate
Collateral Requirement	Business Assets of Borrower Life insurance on key principals Personal residence of principals	Subject Real Estate or fixed asset Business Assets of operating entity

This table is meant to be a guideline of typical transactions utilizing the SBA programs. Other options may be available. Specific loan terms and requirements vary depending on a variety of factors.