

# SBA 504 Loan Program



Low rate, long-term financing for Hawaii's growing Small Business Owners

The SBA 504 program is designed for small businesses to purchase or refinance an existing commercial building or office, or acquire a commercial property at market interest rates without having to provide a large down payment. Businesses can save cash to invest into managing their operations.

With SBA 504 Financing, small businesses can:

- Preserve liquidity with a low down payment
- Increase cash flow with low fixed rates

<b>Eligibility Requirements</b>	<ul style="list-style-type: none"><li>• Must be owner-operated for-profit entity located in the State of Hawaii</li><li>• Meets SBA size-standards: a) Tangible net worth of business \$15M or less; b) Average after-tax profit of \$5M or less for the last two operating years</li><li>• ≥ 51% owner-occupancy for existing structure/building</li></ul>
<b>Interest Rate</b>	<ul style="list-style-type: none"><li>• SBA 504 long-term fixed rate options</li><li>• Payments fully amortized through term of loan</li></ul>
<b>Available Terms</b>	<ul style="list-style-type: none"><li>• Up to 25 years</li></ul>
<b>Typical Loan Structure</b>	Financing project typically involves a first mortgage from Finance Factors (50%), a second mortgage (40%) from a non-profit community-based company licensed by the Small Business Association (SBA). Borrower's down payment would then be 10%. Additional down payment by the borrower is required if the business has been operating for less than 2 years.

## Benefits to Borrower:

- Save money! Down payment- as low as 10%
- Choose your term! Longer repayment terms- up to 25 years
- Competitive Rates! Fixed rate financing below market pricing
- Peace of Mind! Predictable monthly payments
- Dependability! Commercial loan experts will walk you through each step of the process



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