

Do You Have a Commercial Real Estate Loan Maturing Soon?

REFINANCE with an SBA 504 Loan.

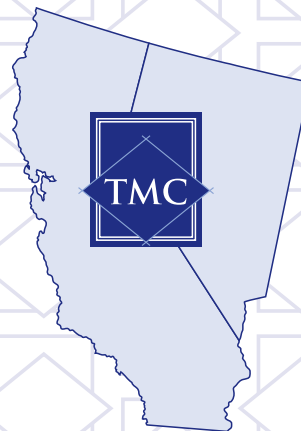
For the first time ever, the SBA has expanded the 504 loan program to allow refinancing of existing, non-SBA, commercial real estate debt.

- Refinance up to 90% of the current appraised property value, or 100% of the outstanding mortgage, whichever is lower. Loans in excess of 90% of appraisal can be refinanced with additional collateral.
- Business must occupy at least 51% of the subject property
- Existing 504 projects and government-guaranteed loan are not eligible.
- Loans are structured like SBA's traditional 504 program.
- **Limited time only!** Refinance program will end on September 27, 2012.

Contact TMC to learn more about eligibility factors and terms of the SBA 504 debt refinance program.

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TMC is certified by the U.S. Small Business Administration (SBA) to provide up to 90% SBA 504 financing to businesses for owner-occupied commercial real estate. TMC has financed over \$5.7 billion for more than 3,600 businesses. TMC has ranked in the top 5 CDCs nationally for over a decade.



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Bank of George provides a new way to bank that is based on the timeless values of integrity and dedication to community. With an emphasis on our valued business clientele, we make banking both seamless and convenient. In every transaction – with every customer – we work harder to make sure we live up to our name.

SBA 504

COMMERCIAL REAL ESTATE FINANCING

WHAT'S NEW?

Larger Loans for Larger Businesses
& Debt Refinancing!



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WHAT IS THE SBA 504 PROGRAM?

The U.S. Small Business Administration (SBA) created the SBA 504 loan program specifically to provide financing to small businesses for owner-occupied commercial real estate.

WHAT CAN 504 FINANCING BE USED FOR?

- Purchase of an existing building – 51% occupancy required
- Remodeling or rehabilitation of an existing building
- Acquisition of vacant land and construction of a building – 60% occupancy required
- Equipment acquisition – Life expectancy of at least 10 years required
- Soft costs involved in above projects

WHO IS ELIGIBLE?

Most for-profit businesses in the U.S. are eligible with a net worth of less than \$15 million and net profit after tax (2 year average) of no more than \$5 million; or manufacturers with less than 500 employees. Start-up businesses with financially strong and/or experienced owners may also be eligible.

HOW IS A 504 PROJECT STRUCTURED?

Using a \$1 million sample project, the financing structure would typically look like this:

Conventional Loan (1st)	\$500,000	50%
SBA 504 Loan (2nd)	\$400,000	40%
Owner Cash	\$100,000	10%
Total Project	\$1,000,000	100%

The SBA 504 program includes a first-mortgage loan (typically 50% of the total project) from a lender, such as Bank of George. A Certified Development Company (CDC), such as TMC, makes a second-mortgage loan (typically 40% of the total project), and the borrower provides an injection for the remainder (typically 10% of the total project). The SBA requires that the application for the SBA 504 loan originate from a CDC.

HOW IS THE BORROWER'S INJECTION DETERMINED?

- 10% in most cases
- 15% for a start-up or new (less than 2 years in operation) business, or special-purpose property
- 20% if the project is both a start-up and special-purpose property
- Equipment-only loans may qualify with 10% or 15% injections

WHAT IS THE MAXIMUM SBA LOAN AMOUNT?

- \$5,000,000 – Typical Project
- \$5,500,000 – Manufacturers (defined by SIC code), or if a Green Public Policy Goal* is met.

These maximums apply only to the SBA 504 (2nd) portion of the loan.

* GREEN PUBLIC POLICY GOALS

- Reducing energy consumption by at least 10%
- Generating renewable energy or renewable fuels

“...professionalism, expertise and unsurpassed levels of service. My dream of owning an office building to house my company has now come true, and everyone at TMC was an integral part of making that happen.”

—Steve Trollope, CEO
Arrow Capital Associates, Inc.

WHAT ARE THE 504 LOAN TERMS?

- Interest Rate – Fixed and fully amortized over the life of the loan (rate is “locked-in” when the SBA funds the debenture)
- Maturity – 10 or 20 years
- Security – Second deed of trust on the property and personal guaranty by the owners
- Assumption – Loans are assumable
- Prepayment – Loans carry a decreasing prepayment penalty for the first half of the loan term

WHY USE THE SBA 504 PROGRAM?

- 10% down payment – SBA financing enables growing businesses to retain working capital to continue to grow the business
- Improvements to the property can be financed as part of the project
- Long-term (20 years), FIXED rate financing at a below market interest rate
- No additional collateral required
- Minimal paperwork, quick approval and funding

WHY USE TMC?

- 25+ years of SBA lending experience
- Prequalification at no charge
- Ranked in the top 5 CDCs nationally



EXPERTISE IN
SBA FINANCING