



The **SBA 504 Refi loan program** is a strategic debt restructuring solution that helps banks and small business borrowers, especially during an economic downturn. Somercor, an SBA Certified Development Company, works with you to access the 504 Refi. *It is a win-win for banks and borrowers.*

## THE BENEFITS OF THE SBA 504 REFI PROGRAM

**FOR LOANS AUTHORIZED BETWEEN FEBRUARY 1, 2021 AND SEPTEMBER 30, 2021\*:**

- 3 months of payment forgiveness on the SBA portion of the loan proceeds (up to \$9,000 per month per loan)
- Fee waiver to eliminate the TPL Fee (0.5%) and CDC Fee (1.5%)

### BANK ADVANTAGES

- Lower lending risk
- Expand credit box
- Diversify and strengthen loan portfolio
- Increase liquidity
- Retain and grow business clients

### Eligibility Guidelines

- Property must be minimum 51% owner-occupied and meet all other SBA 504 eligibility guidelines
- Business and existing loan must be at least 2 years old (payments must be current for the last 12 months)
- At least 85% of existing loan must have been for SBA 504-eligible purposes
- Government guaranteed loans are not eligible to be refinanced
- Other assets can be used as collateral to get to 90% LTV
- Up to 20% of the appraised value can be used for cash out for other business expenses

### BORROWER ADVANTAGES

- Improve cash flow
- Lower monthly mortgage payment
- Cash out for eligible expenses
- 20 or 25 year fixed, low interest rate
- Loan payment predictability

### Refinance Loan Highlights

- Multiple loans can be consolidated and/or refinanced
- Maximum 90% LTV with no cash-out
- Maximum 85% LTV with cash-out for eligible operating expenses (i.e. wages, inventory, and utilities)
- Bank will be at a favorable 1<sup>st</sup> position LTV
- Below-market interest rate

### May 2021 Interest Rate

25-Year **2.97%**

Well Below  
Market

20-Year **2.89%**

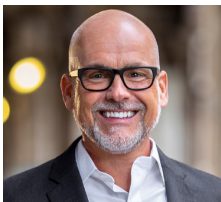
Rates include monthly servicing fees to CDC, SBA, and central servicing agent; based on SBA FY20 fees.\* Subject to the availability of funds.

## Contact the Somercor Team

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