



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

### 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 must be in operation for at least 2 years
- Existing loan must be at least 6 months old
- At least 75% of existing loan must have been for SBA 504-eligible purposes

### Borrower Advantages

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

### Refinance Loan Highlights

- Multiple loans can be consolidated and/or refinanced
- Maximum 90% LTV
- Bank will be at a favorable 1<sup>st</sup> position LTV
- Government guaranteed loans are eligible to be refinanced under qualified conditions
- Other assets can be used as collateral to get to 90% LTV
- Cash out for eligible business expenses available (i.e. wages, inventory, and utilities)

## June 2025 SBA 504 REFI Interest Rates

**25-Year 6.40% 20-Year 6.42% 10-Year 6.24%**

Rates include monthly servicing fees to CDC, SBA, and central servicing agent; based on expected SBA FY25 fees.



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SomerCor serves Illinois, Kenosha and Rock counties in Wisconsin, and Jasper, Lake, Newton, and Porter counties in Indiana.