BUSINESS INSIGHTS | *Sponsored by SomerCor*

Big Deals, Big Impact – Rethinking Small Businesses

Small businesses are a driving force behind local economies - creating jobs, expanding opportunity, and strengthening their communities - no matter their size. In fact, "small business" is far more inclusive than people think, encompassing start-ups to mid-sized companies. What remains true is that whatever the size a "small" business may be, there is always room for growth, and the U.S. Small Business Administration (SBA) 504 loan program can finance it.

SBA 504 Loan Program

As the SBA's premier economic development loan program, SBA 504 financing offers a competitive suite of benefits for business owners looking to buy, build, or refinance commercial real estate and heavy equipment. The borrower-friendly terms include:

- Low down payment - up to 90% financing for established businesses;
- Below-market interest rates - lower, more affordable monthly payments;
- Long-term fixed rates - 10, 20, or 25 years and no surprise balloon payments.

For a third-party lender that partners with a certified development company, like SomerCor, benefits of an SBA 504 deal include:

- Diversify and strengthen portfolio - appeal to clients across a variety of industries;
- Expand credit box - lower lending limits to expand business lending capacity;
- Lower lending risk - LTV ≤ 50% for limited capital exposure and increased liquidity.

Since 1992, SomerCor has deployed more than $2.057 billion in SBA loans to 2,816 businesses in 1,793 communities.

Through the SBA 504 program, SomerCor continues to nurture business owners of all kinds on their path to expansion.

"Small" Businesses. Big Plans.

Businesses with tangible net worth of $20 million or less and an average net income after taxes not exceeding $6.5 million, can qualify for SBA 504 financing. For example, SomerCor partners with several middle-market businesses across a variety of industries to finance their expansion needs:

Meat Processor: $13.3 Million Project

Carol Stream, IL – This client supplies two of Chicagoland's most iconic foods: Italian beef and gyros. The business partnered with SomerCor on an SBA 504 loan to purchase and renovate a building. Their square footage more than doubled, and the business renovated the space to include robust storage areas and ensure operational efficiency, leaving enough room to facilitate their rapid growth.

Institutional Furniture Manufacturer $16 Million Project

Bensenville, IL – This repeat client produces durable, innovative school furniture. Partnering with SomerCor on an SBA 504 loan to purchase a 313,102 square foot building, the business consolidated four facilities into one, increasing operational capacity by over 100,000 square feet while giving them control over their space.

Coffee and Tea Manufacturer: $6.1 Million Project

Naperville, IL – This client blends high-quality beans from around the world to fill coffee cups across the nation. Partnering with SomerCor on an SBA 504 loan to purchase a new warehouse and equipment, the company consolidated all three facilities they previously occupied while increasing operational capacity by 45,000 square feet. New equipment helped increase production efficiency, and the business now has the space to continue to expand and thrive.

Just like the business owners it helps, the SBA 504 loan program has expanded. More than just an initiative to encourage small business lending, the program has grown to help more businesses access the capital they need on their way to a successful future.

Connect with the SomerCor team at www.somercor.com to learn how the SBA 504 loan can help your business or your business client.

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