

504 Loan Structure

THE SBA 504 LOAN STRUCTURE

Evergreen Business Capital partners with lenders to provide up to 90 percent financing to businesses for the purchase of owner-occupied commercial real estate and equipment.

Evergreen provides up to 40 percent of the financing and the lender typically provides 50 percent. Business owners pay as little as 10 percent down.

Typical SBA 504 loan structure for a multi purpose property

Borrower

Borrower pays 10 percent of project costs using cash, equity in the land or building, prepaid project-related expenses; equity of 15-20 percent is required for start-up businesses and purchase of single-use properties such as hotels.

Evergreen

Evergreen makes an SBA-guaranteed loan of up to 40 percent of project costs, plus SBA loan fees, and is secured by a 2nd Deed of Trust; the total loan amount depends on the type of business and project.

Lender

A bank, credit union or other non-bank lender makes a commercial loan, typically 50 percent of total project costs, which is secured by a 1st Deed of Trust.

For more information, please contact:

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