



SBA 504 Loan Program

Does your business need money to buy or build a new facility or to purchase major equipment? Capital Matrix has been helping area businesses grow since 1984.

The SBA 504 Loan Program offers many benefits to your business:

- Low down payment - typically only 10%
- Low, fixed interest rate
- 20 year term - no balloon payments
- Loan fees and soft costs can be financed

Working capital stays in your business so it can continue to **grow!**

Capital Matrix works in participation with your bank to provide the financing you need. An example of how the program works is shown below:

A growing business plans to buy land and construct a new building. It is estimated that the total costs will be \$1,000,000. Through the SBA 504 program, the expansion could be financed as follows:

	Amount	% of Project	Terms	Interest Rate	Collateral
Bank	\$500,000	50%	10 years	Market	1st DOT
Capital Matrix	\$400,000	40%	20 years	Fixed	2nd DOT
Borrower	\$100,000	10%			
	<u>\$1,000,000</u>	<u>100%</u>			

Term and loan fees on the bank financing would be negotiated with the bank; amortization is typically 20 years.

The interest rate on Capital Matrix' financing is determined by the sale of SBA-guaranteed debentures; rates are fixed for the 20 year term of the loan. Loan fees are 2.65% of the amount financed by the debentures.

Applying for this program is easy. Just provide:

- Brief description of your business
- An estimate of the project costs and financing needs
- Current financial statement of the business
- 2 years' tax returns of the business
- Projection of future revenue and expenses (start up companies only)
- Current person financial statement of owners
- Latest personal tax return of each owner

Visit capitalmatrix.com for more information about the 504 loan program and Capital Matrix. The web site includes an application, financial statement forms, a list of participating banks and companies that have used the SBA 504 loan program for their financing needs.

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