

Small Business Administration (SBA) Loans

Community Resource Bank offers SBA 7(a) and 504 Term loans. We have the financial resources and expertise to handle your financing needs. Our experienced staff process loans in-house, getting the job done quickly and efficiently. Simply put, we will get the job done for you!

| | SBA 7(a) Term Loan | SBA 504 Term Loan |
|----------------------------------|---|---|
| Eligibility | For-profit business Small Business qualifications by SBA guidelines Size varies by industry type | Existing, for-profit businesses New worth \$7MM or less Net profits after taxes \$2.5MM or less One job created for every \$50,000 in SBA loan funds |
| Loan Size | SBA loan guarantee Cannot exceed \$3,750,000 Loan ceiling of \$5,000,000 | From \$150,000 to \$8,000,000 Maximum SBA loan \$5,000,000 for job creation/community Development goals or public policy goals, or eligible manufacturers |
| Use of Proceeds | Working Capital Purchase Land & Buildings Machinery and Equipment Business Inventory | Land Buildings (new purchase, new construction or renovation) Machinery and Equipment (minimum useful life of 10 yrs) |
| Financing | Provided by CRB SBA provides 85% guarantee to CRB on loan amounts of \$150,000 or less; 75% guarantee on loans of \$150,000 or more | 50% financed by CRB 40% financed SBA loan through Certified Development Co 10% borrower injection (increased injection required on new businesses or special purpose real estate) |
| Collateral | SBA requires CRB to take a secured interest in business assets and/or a mortgage on real estate | CRB holds first mortgage on real estate, and/or secured interest in machinery and equipment. SBA holds 2 nd mortgage on real estate, or second interest in equipment and machinery. |
| Underwriting Requirements | Personal guarantees by all owners of 20% or more Adequate business collateral or personal assets securing personal guaranty (ie: mortgage on home) Hazard Insurance | Personal guarantees by all owners of 20% or more Life insurance on business principals in amount of SBA loan Hazard Insurance |
| Loan Terms | Working Capital (up to 10 yrs) Equipment (up to 10 yrs or useful life) Real Estate (up to 25 years) | CRB loan – minimum 10 yrs on Real Estate; 7 yrs on Machinery and Equipment SBA loan – 20 years |
| Interest Rates | Variable rates based on WSJ Prime | CRB loan – negotiated rate between borrower and bank (fixed or variable) SBA loan – below market fixed interest payment, loan rate set when debenture is sold |