



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 and existing loan must be at least 2 years old
- Payments must be current for the last 12 months (deferments related to COVID are acceptable)
- At least 85% of existing loan must have been for SBA 504-eligible purposes
- Government guaranteed loans are not eligible to be refinanced
- Up to 20% of the appraised value can be used for cashout for other business expenses

### BORROWER ADVANTAGES

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

### Refinance Loan Highlights

- Multiple loans can be consolidated and/or refinanced
- Maximum 90% LTV with no cash-out
- Maximum 85% LTV with cash-out for eligible operating expenses (i.e. wages, inventory, and utilities)
- Bank will be at a favorable 1<sup>st</sup> position LTV
- Below-market interest rate

### July 2020 Interest Rate

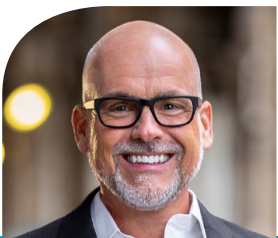
25-Year **2.41%**

20-Year **2.34%**

Well Below  
Market

Rates include monthly servicing fees to CDC, SBA, and central servicing agent; based on SBA FY20 fees.

Contact the SomerCor Team at  
**312.360.3300 | 504refi@somercor.com**



**Brian Comiskey**  
bcomiskey@somercor.com



**Elisabeth Williams**  
ewilliams@somercor.com



**Eric Bacon**  
ebacon@somercor.com



**Joseph Bailey**  
jbailey@somercor.com