



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	2 nd DOT
Borrower	<u>\$ 100,000</u>	<u>10%</u>			
Project Cost	\$1,000,000	100%			

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.

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 personal financial statement of owners
- Latest personal tax return of each owner

Visit capitalmatrix.org 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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