



American National Bank & Trust™

SBA 7(a) Loan Program Guide

What is the 7(a) loan program?

Financing designed to promote small business formation and growth by guaranteeing long term loans to qualified firms.

Who Can Qualify?

Most for profit, owner occupied small businesses in the U.S. with a net worth less than \$15.0 million and net profit after tax (2 year average) of no more than \$5.0 million.

Eligible Use of Funds

- Owner occupied real estate – purchase, refinance, expansion and construction.
- Purchase of machinery, equipment, furniture and fixtures.
- Business Acquisitions
- Inventory
- Working Capital
- Debt Refinance – Eligibility restrictions apply
- Tenant Improvements

Ineligible Use of Funds

- Non-profit
- Speculation
- Investments
- Many Passive Businesses

Benefits for Borrowers

- AMNAT will finance up to 90% of the project on multipurpose commercial real estate
- Longer loan maturity allows for a lower monthly payment
- Lower equity contribution helps preserve working capital
- Fully amortizing loans (no balloon)
- Some soft costs may be rolled into the project financing

Loan Size

- Up to \$5,000,000

Terms

- Up to 25 years on commercial real estate
- Up to 10 years on equipment/business acquisitions
- Up to 10 years on working capital
- Fully amortized over the life of loan (no balloon)

Borrower's Injection

- Equity will start as low as 10% to 15% on commercial real estate and regular C&I loan requests.
- A slightly higher injection of 15-20% will normally be required on startup business requests and business acquisitions.

Occupancy

- 51% for existing facilities/buildings (renovations and expansions are eligible)
- 60% for ground up construction projects (should occupy 80% within 10 years)

Sample Projects Financed by 7(a)

- Medical clinics
- Franchises
- Restaurants
- Car Washes
- Child/Adult daycares
- Mini- Storages
- Hotels/Motels
- Dentists
- Suppliers/Wholesalers
- Manufacturers/Distributers
- Pet daycares



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SBA 504 Loan Program Guide

What is the 504 loan program?

Co-Lender financing designed to facilitate the acquisition of capital assets for small businesses.

Who Can Qualify?

Most for profit, owner occupied small businesses in the U.S. with a net worth less than \$15.0 million and net profit after tax (2 year average) of no more than \$5.0 million.

Eligible Use of Funds

- Owner occupied real estate – purchase, expansion and construction.
- Purchase of long term machinery & equipment
- Fixed assets for business acquisition
- Building expansion

Ineligible Use of Funds

- Working Capital
- Inventory
- Goodwill for business acquisition
- Tenant improvements

Benefits for Borrowers

- AMNAT will finance up to 50% of the project at a long term, variable rate
- Certified Development Company (CDC) will finance up to 40% of the project at fixed rate
- Low equity contribution helps preserve working capital
- Some soft costs may be rolled into the project financing

Terms

- Loan is divided into 1st and 2nd Liens
- 1st Lien subject to Bank's discretion
- 2nd Lien up to \$5 million (Standard)
- 1st and 2nd Liens up to 25 years on commercial real
- 1st and 2nd Liens up to 10 years on equipment
- Fixed rate for the term of the loan on the 2nd Lien
- Fully amortized over life of loan (no balloon)

Borrower's Injection

- 10% in most cases
- 15% on start-up business (less than 2 years in operation) or special purpose properties
- 20% if the project is both a start-up and special purpose
- Equipment only loans may qualify with 10% or 15% injection

Occupancy

- 51% for existing facilities/buildings (renovations and expansions are eligible)
- 60% for ground up construction projects (should occupy 80% within 10 years)

Sample Projects Financed by 504

- Medical clinics
- Franchises
- Restaurants
- Car Washes
- Child/Adult daycares
- Hotels/Motels
- Dentists
- Suppliers/Wholesalers
- Manufacturers/Distributors
- Pet daycares
- Automotive Services