

Statewide Services from five locations

Alva - 580.748.1375

Durant - 580.924.5094

Lawton - 580.583.3725

Oklahoma City - 405.319.8190

Tulsa - 918.459.4515

Call the one nearest you!

REI services available to Oklahoma entrepreneurs statewide include...

Business Financing
Women's Business Center
Business Space for Start-Up or Expanding Businesses
Equipment Program for Small Manufacturers
Down Payment & Closing Cost Assistance for Homebuyers
Employer-Assisted Housing (EAH) Incentive
International Trade Assistance
Foreign Trade Zone #227 - Durant, OK
Federal and State Tax Credit Programs



Working Together
to Help Your
Portfolio Grow

SBA 504 Loan Program

www.ruralenterprises.com

Overview

REI is a private, not-for-profit corporation operating as a certified lender for the U.S. Small Business Administration (SBA) 504 Loan Program. REI administers the SBA 504 Loan Program and **splits the processing fee** with the first mortgage lender. REI's staff of over 40 economic development professionals are available to help meet your needs. Call REI today!

SBA 504 Advantages

- * A fixed, below market interest rate
- * Long-term maturity
- * Low down payment
- * Up to 90% financing of project cost

Use of Funds

- * Land acquisition and improvements
- * New building construction
- * Purchase of existing real estate
- * Purchase of machinery/equipment having a minimum of 10 years of useful life

Eligibility

- * Net worth of less than \$7 million
- * Average net income after tax for the proceeding two years of less than \$2.5 million
- * Property must be owner occupied
- * Business must be for-profit

Ineligible Purposes

- * Working Capital
- * Refinance
- * Franchise Fees
- * Inventory
- * Rolling Stock

Ineligible Businesses

- * Nonprofit Organizations
- * Financial Institutions
- * Gambling Facilities
- * Real Estate Development Companies



Loan Terms & Structure

The term of the loan depends upon the nature of the proceeds:

- * Land and Building - 20 years
- * Machinery and Equipment - 10 years

Typical Loan Structure:

Bank - 50% - 1st Mortgage
SBA 504 - 40% - 2nd Mortgage
Borrower's Equity - 10% *

* This is a minimum requirement - An additional 5% equity is required for a start-up business, 5% equity is also required on special purpose facilities (hotel/motels, gas stations, car washes, funeral homes, theaters, etc.) Therefore, if you have a start-up special purpose project, the borrower will need to contribute 20% equity into the project.

Start Up & Special Purpose Facility Structure:

Bank - 50% - 1st Mortgage
SBA 504 - 30% - 2nd Mortgage
Borrower's Equity - 20%

Project Examples

- * Professional Offices (Doctor, Dentist, Chiropractic)
- * Manufacturing Businesses
- * Funeral Homes
- * Assisted Living Centers
- * Nursing Homes
- * Convenience Stores/Gasoline Stations
- * Hotels/Motels
- * Car Washes
- * Retail Businesses
- * Restaurants

