

Statewide Services from five locations

Alva - 580.748.1375

Durant - 580.924.5094

Lawton - 580.583.3725

Oklahoma City - 405.319.8190

Tulsa - 918.994.4370

*Call the one nearest you!*

*REI services available to Oklahoma entrepreneurs statewide include...*

*Business Financing  
Commercial Facilities  
Federal Tax Credit Program  
Foreign Trade Zone #227 - Durant, OK  
Homebuyer Assistance Programs  
Native American Business Resources  
Women's Business Center*



Working Together  
to Help Your  
Portfolio Grow

*SBA 504 Loan Program*

[www.ruralenterprises.com](http://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's staff of more than 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
- \* Refinance
- \* 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 \$15 million
- \* Average net income after tax for the proceeding two years of less than \$5 million
- \* Property must be owner occupied
- \* Business must be for-profit

## Ineligible Purposes

- \* Working Capital
- \* 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, Attorney)
- \* Manufacturing Businesses
- \* Funeral Homes
- \* Assisted Living Centers
- \* Nursing Homes
- \* Convenience Stores
- \* Car Washes
- \* Retail Businesses
- \* Restaurants
- \* Medical Related

