



Great Lakes
Commercial Finance

SBA 504 Debt Refinance Guide

There has never been a better time to refinance existing debt with the SBA 504 Loan Program!

- Record Low Interest Rates
- Cash Out - Provide needed liquidity for eligible business expenses
- Improve Bank's LTV
- Improve Borrower's Cash Flow

STEP 1: BASIC ELIGIBILITY

- 90% LTV; equity serves as injection
- Original debt incurred 2+ years ago
- 85%+ of original use of proceeds for commercial real estate, equipment, and other FF&E
- 100% incurred for the benefit of the business
- NO change of ownership in business for past 2 years
- Current on all payments for past 12 months
- No modifications in past 12 months except for extension of term
- No current federally guaranteed debt (i.e., SBA 504, SBA 7(a), USDA guarantee, etc)
- Business occupies 51%+ of commercial real estate

STEP 2: PRELIMINARY DOCUMENTATION

- Current note & lien/security instruments
- 12 month payment transcript
- Total project costs may include CASH OUT for "Eligible Business Expenses" including salaries, rent, utilities, inventory or other business obligations that are incurred but not paid or that will be due within 18 months of application (cash out limited to 20% of total value; max. amount of 85% LTV)
- Estimated value of assets included in total project costs – subject to appraisal prior to loan closing
- Two most recent years of business and personal tax returns (principals owning 20% or more)
- Interim financial statements within 90 days of application, including balance sheet, income statement, A/R & A/P aging reports, and debt schedule

Contact Great Lakes Commercial Finance for more information

www.glcfc.org | (616) 459-4825 | 3980 Chicago Drive SW, Suite 220, Grandville, MI 49418

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STEP 3: FINANCING STRUCTURE

PROPOSED USE OF FUNDS:		\$	%	Appraised/Est. Value
Qualified Debt -CRE Mortgage Balance	\$	-		\$ -
Other qualified debt (FF&E)	\$	-		\$ -
Eligible Business Expenses	\$	-		Max 20%
Professional Fees (Appraisal, Enviro, Title)	\$	-		
TOTALS	\$	-		\$ -
			LTV*	Max LTV w/ BOE = 85%; w/out BOE = 90%
SOURCES OF FUNDS:		\$	%	
Equity Injection : equity in land/building**	\$	-		= Total Appraised Value - Total Use of Funds
SBA 504 Loan***	\$	-		
Primary Lender Loan	\$	-		
TOTAL	\$	-		
Notes:				
* Max LTV 90% for straight refinance; 85% with cash out for Business Operating Expenses				
** Borrower Equity: min. 10%; 15% for special purpose property				
*** SBA 504: Max 40%, Must be <= Primary Lender Loan				

This is a preliminary overview of how to begin the process of refinancing eligible debt through the SBA 504 Loan Program. Please call a Great Lakes Commercial Finance loan officer for more details.

STEP 4: CONTACT US



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