GROWTH CORP

AMERICA'S SBDC ILLINOIS
Illinois Small Business Development Center *for* Central Illinois
Hosted by GROWTH CORP

SBA 504LOANS

SMALL BUSINESS SKILL SHARE

HOW TO POSITION YOUR BUSINESS FOR FUNDING

PRESENTED BY NICK KERN
05.07.2026

AGENDA

- Growth Corp
- SBA 504 Basics
- What commercial lenders are looking for.
- How small businesses can position themselves to speed up and increase the likelihood of loan approval.

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About us...

- Non-profit Certified Development Company (CDC)
- SBA Accredit 504 Lender
- Over 1200 Deals Approved in last 5 years
- Consistent management administering SBA’s 504 program since 1992

504 PROVIDES SOLUTIONS

Owner-occupied commercial real estate and equipment financing specifically designed to strengthen and grow businesses.

LOW DOWN PAYMENT

As little as **10%**

preserves cash

LONG LOAN TERMS

10, 20 or 25 years

provides stability

LOW, FIXED RATES

Below market

predictable payments

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USES AND BENEFITS

504 allows businesses to expand with confidence.

GROWTH AND EXPANSION

- New Construction
- Real Estate Purchase
- Renovations
- Machinery & Equipment
- Adding Multiple Locations
- Green Energy Upgrades
- Partner R/E Buy-outs
- Refinance
- Refinance with Cash Out

BENEFITS

- Eliminate Rent Fluctuations
- Stable Fixed Mortgage Payments
- Low, Long-Term Fixed Rates
- Up to 90% Financing
- Finance Total Project Costs
- Banks – Reduced Exposure w/ 50% LTV
- Banks – 1^{st} Lien Position
- Enhancement of Credit

BUSINESS ELIGIBILITY

Most businesses qualify for SBA 504 financing.

GENERAL

- For-profit
- Sole Prop, Partnership, LLC, LLP, S-Corp
- Located in the US
- 100% Owned by US Citizen

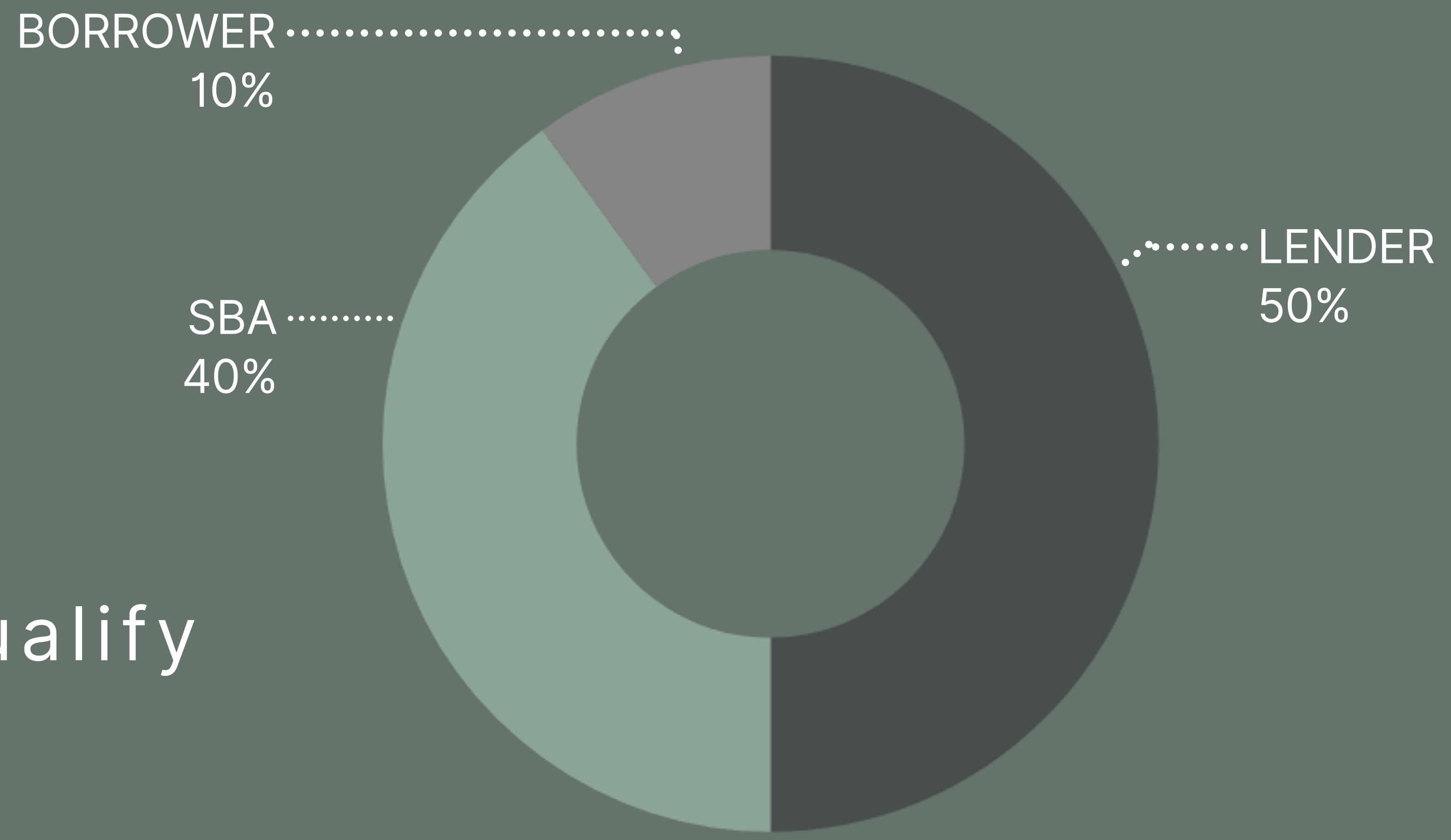
SBA SIZE STANDARDS

- Industry: Revenue / # Employees
- Net worth < $20MM and after-tax profit < $6.5MM (last 2yr average)

OTHER

- Occupancy: 51% existing or 60% new construction
- Franchise: Must be on Directory

504 PROJECT STRUCTURE



90%

Most businesses qualify for 90% financing.

When it differs...

NEW BUSINESS

Lender	50%
SBA	35%
Borrower	15%

SPECIAL USE

Lender	50%
SBA	35%
Borrower	15%

BOTH

Lender	50%
SBA	30%
Borrower	20%

SAMPLE PROJECT

With just 10% down, 504 aided in the preservation of $300k in valuable operating capital vs. 20% down in conventional financing

PROJECT | BUY LAND, CONSTRUCTION, EQUIPMENT

Real Estate Purchase	$300,000
Building Construction	$1,900,000
Machinery & Equipment	$600,000
Misc.	$200,000
TOTAL PROJECT COST	**$3,000,000**

FUNDING | 504 PROJECT FINANCE STRUCTURE

Bank 1st	$1,500,000	**50%**
504 2nd	$1,200,000	**40%**
Borrower	$300,000	**10%**
TOTAL PROJECT COST	**$3,000,000**	

START-UP PROJECT

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This start-up secured a piece of equipment for just 15% down, and a 504 with a 10-year fixed rate

PROJECT | START-UP, PURCHASING EQUIPMENT

Machinery & Equipment	$900,000
TOTAL PROJECT COST	**$900,000**

FUNDING | 504 PROJECT FINANCE STRUCTURE

Bank 1st	$450,000	**50%**
504 2nd	$315,000	**35%**
Borrower	$135,000	**15%**
TOTAL PROJECT COST	**$900,000**	

504 REFI

Recent enhancements have made 504 Refi one of the best tools in lending for business growth and expansion

YES, YOU CAN REFINANCE 7A WITH 504

CASH-OUT UP TO 90%

Pay off business LOC, credit cards

Cover expenses such as wages, rent, inventory (18 months)

NO CAP ON ELIGIBLE BUSINESS EXPENSES

Removed 20% cap

EXPANDED USE OF ELIGIBLE BUSINESS EXPENSES

Pay off other debts also secured by 504-eligible assets

SUBSTANTIALLY ALL STANDARD 75%

Improved from 85%

What are we looking for?

In General

- Collateral
- Repayment ability – Cash Flow
- Liquidity
- Credit history (Business and personal)
- Other services (Payroll, card services, deposit accounts, etc.)

What are we looking for?

Specifically

Business and Personal Financials

Cost Documentation

Proof of Equity

Business Plan

Feasibility Study

Projections w Assumptions

Organizational Documents

Real Estate Holding Company?

Post Closing Liquidity?

Working Capital?

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How to best position your business for approval and funding?

Start-up

- Be prepared – SBDC
    - Business plan.
    - Conceptualize.
    - Market research.
    - Projections.
    - Know your numbers.
    - Take your time.
- Consider multiple sources of funding. E.G., grants, TIF, rebates.
- Have reasonable expectations.
- Ask questions.

How to best position your business for approval and funding?

Existing Business

- Be prepared
    - Know your numbers. Trends, margins, one-time expenses.
    - Projections.
        - Continued historical growth?
        - If expansion
            - How is it justified?
            - New contracts?
            - Operational efficiencies?

GROWTH CORP'S
TERRITORY

ILLINOIS

All 102 Counties

IOWA

Cedar
Clinton
Louisa
Muscatine
Scott

EXPANSION..

After a borrower's 1st 504 w/i Growth Corp's territory, we can finance a project located anywhere in the US

INDIANA

Jasper
Lake
Newton
Porter

KENTUCKY

Ballard
Carlisle
Crittenden
Graves
Livingtston
Marshall
McCracken
Union
Webster

MISSOURI

Bollinger
Cape Girardeau
Franklin
Jefferson
Lincoln
Madison
Montgomery
Perry
Pike
St. Charles
St. Francois
St. Genevieve
St. Louis
Warren
Washington

YOUR TEAM

From the moment you make application, Growth Corp's full team is working for you to ensure a smooth, accurate, and timely process.

ORIGINATION

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SBA 504 Loans are easy with Growth Corp!

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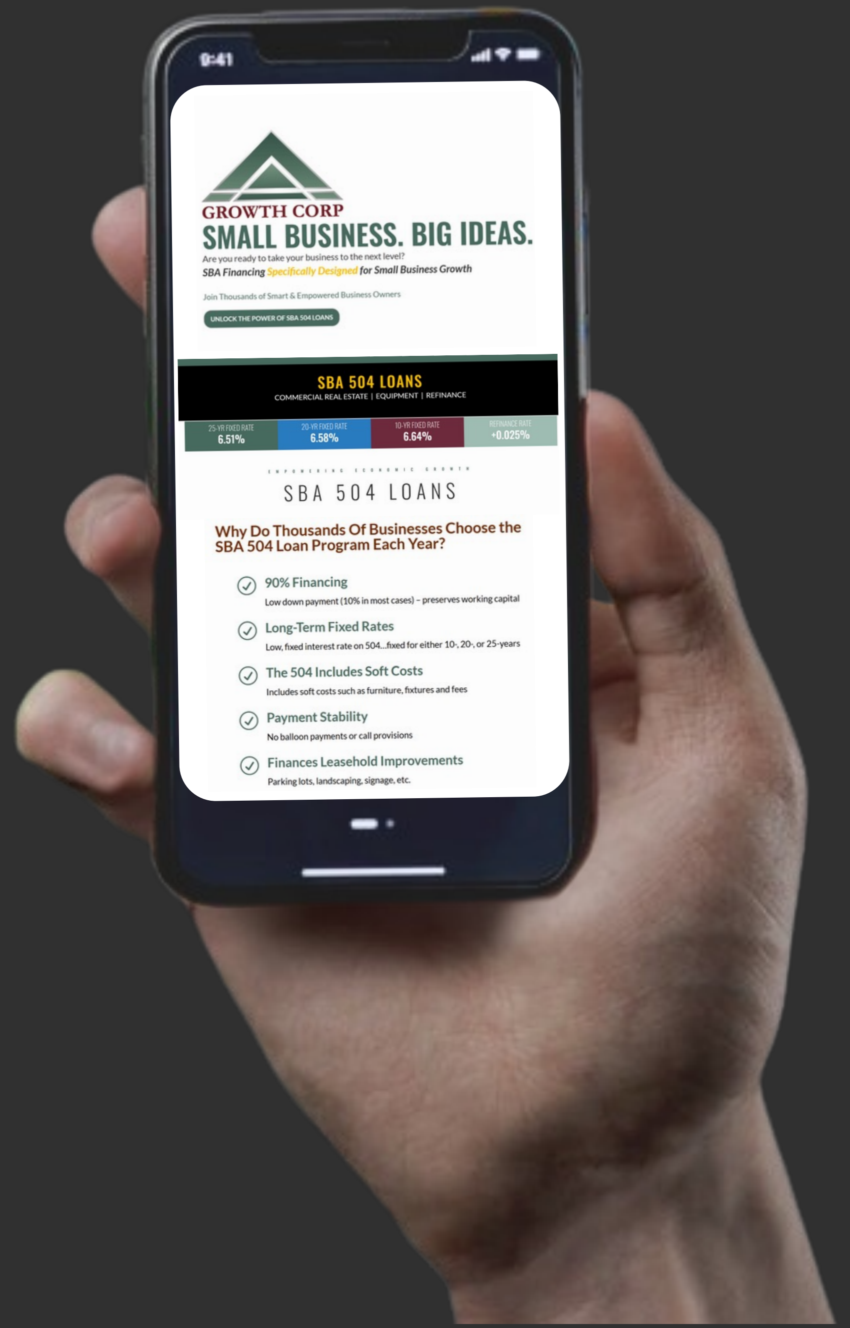
RESOURCES

OUR WEBSITE IS FULL OF USEFUL TOOLS



WWW.GROWTHCORP.COM

CALCULATOR

RATES

EDUCATION

FORMS

WHAT

QUESTIONS

MAY I ADDRESS?