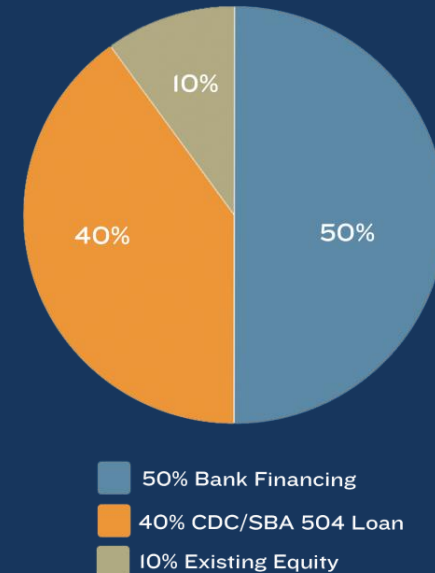


# Refinance Commercial Mortgage Debt

Now your clients can consolidate and refinance debt using the SBA 504 program.

## LENDER BENEFITS:

- ▶ Boost the bank's loan production
- ▶ Minimize risk - banks can limit their exposure to 50% of total 504 loan
- ▶ Generate new fee income coupled with a quality portfolio loan
- ▶ Free up your client's trapped capital
- ▶ Combined LTV (1st & 2nd) up to 90%
- ▶ 20-year, below-market, fixed interest rate for the 504 loan



## ELIGIBILITY GUIDELINES:

- ▶ Can refinance one or more commercial loans
- ▶ Maximum refinance LTV - 90% of the value of collateral pledged **for existing mortgage or secured debt(s)**. Cross collateralization of other fixed assets is allowed to get to 90%
- ▶ Maximum refinance LTV - 85% of the value of collateral pledged **when mortgage refinance request also includes "Eligible Business Expenses"**. The aggregate amount of eligible expenses cannot exceed 25% LTV
- ▶ The loan to be refinanced must be at least 24 months old and in good standing for the last 12 months
- ▶ Business must be operating for 2 or more years
- ▶ Appraisal is not required to submit refinance application, but will be a condition of funding
- ▶ Business must be at 51% occupancy at the time of application submission