



504 Debt Refinance Program

It's finally here!

The 504 Debt Refinance Program has been reauthorized and is now a permanent part of the SBA 504 Program! Call Louisiana Capital now to discuss 20-year fixed rate debt refinancing for your customers!

What is it? The 504 Debt Refinance Program allows the borrower to refinance one or more existing conventional loans into an SBA 504 loan with a low fixed rate and long term financing structure; taking advantage of existing equity in the land and building.

Sample Request

Refinance \$ 600,000 existing acquisition mortgage plus \$ 300,000 2nd mortgage borrowed more than 2 years ago for other business purposes. Property is appraised at \$ 1,000,000.

Acceptable Structure

Appraised Value of Property	\$ 1,000,000
Qualified Debt	\$ 600,000
Other Secured Debt	\$ 300,000
Total Project Financing	\$ 900,000
Lender	\$ 500,000
LCCDC/SBA	\$ 400,000
Borrower Equity Contribution	\$ 100,000

Comments

All eligible. Project financing (Lender + LCCDC/SBA) is \$ 900,000. Lender loan amount must be equal to or greater than the SBA amount, at least \$ 400,000 in this example. Maximum refinance LTV - 90% of the value of collateral pledged for existing mortgage or secured debt(s).

Who qualifies? All small business owners that have an existing conventional loan on their property and that have occupied the space for more than 2 years. The loan to be refinanced (**with same lender or new lender**) 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 with no full or partial ownership changes prior to application. All existing 504 loan program requirements apply.

When does the product go into effect? Apply with Louisiana Capital now to get your application started. The SBA will start accepting applications on Friday, June 24.