



Hotelier Utilizes SBA 504 Loan to Acquire Property Despite COVID Crisis

By [Amanda Near](#)

[TMC Financing](#), an SBA 504 real estate lender, recently worked with hotel owner, Alex Patel, to secure \$2.8 million in total project financing. The funds were used to purchase the much sought-after [Americana Modern Hotel](#), located in downtown Redding, California. The Americana Hotel is a small-town, road-trip motel equipped with modern comforts, detailed aesthetics, and outstanding service.

“The acquisition of the Americana was ideal because it diversified my portfolio,” explained Patel. “I manage another budget-friendly hotel nearby and now that I own the Americana, I can also offer my customer base a more upscale boutique-style experience.

“I wanted to buy the Americana property for quite some time. I would drive by, pull over and stare, trying to figure out how it could be mine. I approached the previous owner *MANY* times, but they refused to sell. In February 2020, they finally agreed but one month later, COVID hit. I could not find a lender to secure the financing I needed. Fortunately, I discovered the 504 Program.”

Why the SBA 504 Program was the Right Choice

The SBA 504 Program allowed Patel and his family to secure hotel financing with extremely advantageous terms despite the challenging financial climate.

“I was turned down by several banks due to the economic crisis brought on by the pandemic and was afraid I was going to lose my opportunity,” explained Patel. “Thankfully, I was referred to TMC Financing by another small business owner. TMC provided the guidance I needed. I quickly learned that the 504 Program was ideal for small business owners like myself.”

A Certified Development Company (CDC), such as TMC Financing, is a nonprofit organization built to support economic development within its community through the SBA 504 Program. CDCs guide business owners through the entire loan process and act as the owner’s advisor and advocate throughout the life of the loan.

“We were up against a tight closing deadline. Not only did TMC make sure all the paperwork was submitted properly, but also helped me secure 80% financing with a historically low interest rate, fixed, for 25 years – that is unheard of,” Patel explained.

“The SBA 504 loan is one of the most advantageous hotel financing options available,” explained [Kurt Chambliss](#), executive vice president of TMC Financing. With the low down payment and below market, fixed interest rate, hoteliers can conserve their working capital and reinvest it into their business.”

“I am a lucky guy,” exclaimed Patel. “I acquired a brand-new hotel property that I truly desired. On top of that, the SBA covered the first six months of payments on the 504 loan due to COVID. As a result, I conserved enough cash for payroll and reorganized my financial priorities. My family and I are thrilled to have reached this milestone and we hope to continue to expand our business.”

SBA 504 Financing for Your Hotel Property

By utilizing the [SBA 504 Loan Program](#) hoteliers can take advantage of below-market, fixed rate financing for the purchase construction or expansion of commercial real estate including equipment and furnishings. Hotel owners can utilize the SBA 504 [refinance loan](#) to lower occupancy costs and access cash trapped in commercial real estate holdings. Hoteliers can confirm they meet the qualifications for an SBA 504 loan by contacting one of our [SBA 504 loan experts](#).

More About TMC Financing

[TMC Financing](#) is the No. 1 CDC in the Western Region of the United States and has secured financing for projects worth more than \$10 billion across California, Nevada and Arizona. More than 6,000 businesses have benefited from this financing, resulting in the creation of an estimated 60,000 jobs. Contact Amanda Near at amanda@tmcf financing.com or 415.655.5420