



- 1** **Low loan to cost** (generally 50%), the SBA 504 loan reduces the lender's final exposure.
- 2** **Collateral is project specific.** This leaves assets available to support other loans. Lender has a 1st lien position on the real property and the SBA 504 loan has a 2nd lien position. The lender's collateral position is well secured.
- 3** **No restrictions on Lender's pricing,** except the interest rate must be reasonable and the term at least 7 years for equipment and 10 years for real estate. A reasonable interest rate is a rate less than what SBA determines a maximum rate. The rate is currently 6% over the New York Prime Rate.
- 4** **No monthly fees to Colson Services.** Lender retains all the fee income! No guaranty fee or annual servicing fees are paid to SBA as part of their loan.
- 5** **SBA approval process and paperwork is handled entirely by Big Sky Finance.** The process is less burdensome for the lender. Big Sky Finance works with the SBA to process the 504 loan. Lender makes their own credit decision and uses their own loan documentation.