Up to 100% financing to purchase Commercial Real Estate

The good news is small business has experienced strong growth in recent years, giving you more options than ever to expand your business. And perhaps now you are looking for more space or, to purchase the space you currently have been leasing. In order to purchase a property and finance it, traditionally, you will have to come up with 10%, 15%, 25% or more as a down payment. For example, if you are considering a $500,000 transaction with a 15% down payment that means you will have to commit $75,000 in cash to the purchase. The question becomes where would $75,000 be more valuable to your business, sitting in a fixed asset or reinvested into your business operations (e.g. inventory, additional resources or equipment)? Wouldn't retaining $75,000 in working capital provide more flexibility and growth opportunities for your business?

If your answer is 'Yes', we agree. The benefits of SBA (Small Business Administration) loans include lower down payments and longer repayment terms than conventional bank loans, enabling small businesses to keep their cash flow for operational expenses and spend less on debt repayment. The SBA was established in 1953 as an independent agency of the federal government and today sponsors a variety of products and advisory services that are tailored to benefit U.S.-based small businesses. The most notable loans under this program are those made available through the guaranteed loan programs. The SBA partially guarantees loans made to small businesses by approved and participating lenders, such as banks and finance companies. Guarantees from the SBA help lenders make loans to borrowers that would not have access to conventional financing under similar terms and conditions (low down payment and longer amortization). SBA loans are credit-approved and funded directly by participating lenders, mainly with Preferred Lenders Program licenses granted by the SBA. Preferred lenders have an advantage to produce faster credit approvals and loan closings, since they are not required to obtain any prior or additional credit approvals from the SBA.

Can my business qualify as a small business?

You would be surprised to find that the SBA general guidelines for a small business are very broad. If your company has less than $15,000,000 in tangible net worth and the average net income for the last two years does not exceeded $5,000,000 you can be considered a small business.

Other considerations:

- The business has to operate for profit. It can't be solely making losses, particularly in the most recent years.
- The business has to be based in the United States. The business should not be drawing significant income from foreign sources.
- No delinquency on government debt. Make sure you're up to date on all tax debts and student loans.

- The property to be financed using the SBA program has to be considered owner occupied meaning your business will have to utilize the majority (51%) of the entire square footage for the property.

Up to 100% financing

Using the SBA 7(a) program you can now borrow up to **100% of the transaction** amount with terms of up to 25 years, with very competitive Fixed or Variable rates, all with **a minimum cash injection of $10,000 no matter what loan amount.**

- SBA 7(a) loans range in size from $250,000 to $5,000,000.
- Use an "SBA National Preferred Lender," which means they can underwrite and close loans on behalf of the SBA anywhere in the USA; they can complete your loan faster because of it.
- Loans offer higher Loan to Value than traditional loan products.
- No Balloon payments.
- This is a transactional lender. You can retain your current banking relationship. We do not require you to move your entire relationship in order for us to provide a real estate loan.

For more information on this SBA 7(a) Loan, please contact any of our brokers.

Premier Commercial Realty
9225 S. Route 31, Lake in the Hills, Illinois
Phone: 847-854-2300 | Fax: 847-854-2380
Email: info@PremierCommercialRealty.com