

SBA 504

*Financing Montana
Business Opportunities*



BIG SKY FINANCE

FINANCING MONTANA BUSINESS

A Program of Big Sky Economic Development

ABOUT US

Big Sky Finance can help businesses finance commercial real estate or large pieces of equipment through the **SBA 504** loan program. This program offers long term, fixed rate financing with as little as 10% down.

With our experienced staff, we can provide fast results!

Our mission is to provide financing opportunities which stimulate the growth and expansion of small business and employment in Montana. Let us help you!

PURPOSE OF THE 504 PROGRAM

- *Create and/or preserve job opportunities*
- *Stimulate growth, expansion and modernization for small businesses*
- *Foster economic development*

BUSINESS ADVANTAGES!

- **Low down payment** – just 10%*. *This lets you preserve cash for working capital.*
- **Low fixed rate** for term of loan. *Payments are affordable and predictable.*
- **Long term loan** which means a lower monthly payment. *Terms for real estate loans can be 10 or 20 years. For equipment and/or machinery, the loan term is 10 years.*



Ace Hardware Lockwood - Billings



SCS Wraps - Bozeman

TYPICAL 504 FINANCING STRUCTURE:

Project Costs	Source	Lien	Funding Limits	Rate	Term (Real Estate)	Term (Equipment)
50%	Lender	1st	No limit	Market	10 years or longer	7 years or longer
40%	BSF / SBA 504 Loan	2nd	\$50,000 to \$5,000,000**	Fixed	20 years	10 years
10%*	Business					

*This will be increased to 15% if a new business or a special purpose building, or to 20% if both apply.

**Up to \$5,500,000 if a manufacturer or an energy goal is met.

ELIGIBILITY

In order to be eligible for an SBA 504 Loan, the business must:

- Be a for-profit operating business located in the USA with the collateral in Montana.
- Meet SBA size requirements and policy goals.
- Occupy at least 51% of an existing building or initially 60% of a newly constructed building. Occupancy exceptions include hotel, residential care and mini storage facilities.

HOW THE FUNDS CAN BE USED

- Purchase land and construct building.
- Purchase an existing building with or without renovation and/or additions.
- Purchase machinery or equipment with a useful life of 10 years or more.
- Debt refinance in some instances.
- Funds cannot be used for inventory, working capital or intangibles.

5 EASY STEPS TO A 504 LOAN:

- 1 Contact us!**
 Brandon Berger brandon@bigskyeda.org 406-869-8403
 Jo Ann Jones joann@bigskyeda.org 406-441-5447
 Ben Rose ben@bigskyeda.org 406-869-8415
 Sherry O'Donnell sherry@bigskyeda.org 406-441-5446
- 2 Gather documentation**
 BSF will provide a list of items needed to complete the loan application and analyze the loan request.
- 3 Loan approval**
 Once the 504 loan is approved by BSF's loan committee and SBA, SBA will issue a written agreement that outlines the terms and conditions under which the 504 loan can be funded.
- 4 Lender financing**
 The lender provides a permanent loan and an interim loan for the business to acquire and/or improve the property while BSF works through the 504 closing process with the lender and business.
- 5 SBA 504 loan funding**
 The 504 loan will fund following the schedule set by SBA and will replace the lender's interim loan when the project is complete or the equipment purchased.



Silver Springs Assisted Living - Townsend



Map Brewing - Bozeman



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