



BIG SKY FINANCE

FINANCING MONTANA BUSINESS

SBA 504 LOAN PROGRAM

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TYPICAL 504 FINANCING STRUCTURE:

Based on a \$1,000,000 total project cost, typical financing structure may be:

% of Project	Source	Lien Position	Funding Limits	Rate	Term (Real Estate)	Term (Equipment)
50% \$500,000	Lender	1st	No Limit	Market	10 years or longer	7 years or longer
40% \$400,000	SBA 504 Loan	2nd	\$50,000 to \$5,000,000**	Fixed	20 or 25 years	10 years
10%* \$100,000	Business					

*15% if a new business or a special purpose building, or to 20% if both apply. Reduces SBA portion.

**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 business located in the U.S.,
- 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 MAY 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 with or without expansion

5 EASY STEPS TO A 504 LOAN:

- 1 Contact us!**
Brandon Berger • brandon@bigskyeda.org • 406.869.8403
- 2 Gather documentation**
BSF provides 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 issues the Authorization outlining the terms and conditions under which the 504 loan will be funded.
- 4 Lender financing**
The commercial lender partner provides 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 borrower.
- 5 SBA 504 loan funding**
The 504 loan funds following the schedule set by SBA and replaces the lender's interim loan when the project is complete, or the equipment purchased and installed.



PURPOSE OF THE 504 PROGRAM

- Provides small businesses access to capital utilizing long-term, fixed rate financing
- Finance long-term fixed assets (owner-occupied commercial real estate and/or equipment)
- Stimulate growth, expansion, and modernization for small businesses
- Fosters economic development and job creation

MONTANA'S SBA 504 LOAN EXPERTS

BUSINESS ADVANTAGES!

- **Low down payment** – just 10%* Business preserves cash for working capital.
- **Low fixed rate** for term of loan. Payments are affordable and predictable.
- **Long term loan** – Terms for real estate loans can be 10, 20 or 25 years. For equipment and/or machinery, the loan term is 10 years.



Pangea • Missoula, MT



Montana Linen Supply • Belgrade, MT

ABOUT US

Big Sky Finance is a **Montana** based Certified Development Company assisting businesses in acquiring commercial, owner-occupied real estate and/or equipment utilizing the SBA 504 loan program. This program offers borrowers long term, fixed rate financing with as little as 10% down.

Our experienced staff provides expertise and fast results across the state of Montana.

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