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# **SBA 504 vs. SBA 7a**

As of 1/2/2019

<b>SBA 504 loan scenario</b>		<b>SBA 7(a) loan scenario</b>	
<b>(90% Loan to Value)</b>		<b>(90% Loan to Value)</b>	
<b>Property Cost:</b>	<b>\$1,590,000</b>	<b>Property Cost:</b>	<b>\$1,590,000</b>
<b>1st Mortgage:</b>	<b>\$795,000</b>	<b>Loan amount:</b>	<b>\$1,431,000</b>
<b>CDC 2nd Mortgage:</b>	<b>\$636,000</b>		
<b>1st Mortgage Term (Years)</b>	<b>25</b>	<b>Term/Amortization (Years)</b>	<b>25</b>
<b>CDC Term (Years)</b>	<b>25</b>		
<b>1st Mtg- 20 year fixed *</b>	<b>4.99%</b>	<b>25 Year Fixed 7a *</b>	<b>5.35%</b>
<b>CDC 2nd - 20 Year fixed</b>			
<b>average rate</b>	<b>4.92%</b>		
<b>Payment on 1st</b>	<b>\$4,643</b>		
<b>Payment on 2nd</b>	<b>\$3,688</b>		
<b>Total Payments</b>	<b>\$8,331</b>	<b>Monthly payment:</b>	<b>\$8,660</b>
<b>Loan Costs</b>		<b>Loan Costs</b>	
<b>Down Payment</b>	<b>\$159,000</b>	<b>Down Payment</b>	<b>\$159,000</b>
<b><u>Fees below can be financed (except SBA fee)</u></b>		<b><u>Fees below can be financed</u></b>	
<b>Bank &amp; SBA Related Fees:</b>		<b>SBA 7(a) Related Fees:</b>	
<b>CDC Fees (approx 2.375% of 2nd)</b>	<b>\$15,105</b>	<b>Guaranty Fee</b>	<b>\$47,122</b>
<b>SBA fee ( .50% of 1st)</b>	<b>\$3,975</b>	<b>Packaging Fee</b>	<b>\$0</b>
<b>WF Admin</b>	<b>\$500</b>	<b>WF Admin</b>	<b>\$500</b>
<b>Third Party Reports</b>	<b>\$3,500</b>	<b>Third Party Reports</b>	<b>\$3,500</b>

\*Other rate options are available on 504 and 7a, such as 5, 7, 10, 15, 20 year fixed.

## **SBA 504 Loan Specifics:**

As little as 10% down payment  
Fixed rates up to 25 years  
25 year term on 1st, 25 year term on 2nd  
Yield Maintenance PPP; reductions not allowed  
Most loans close in 45-60 days  
No additional collateral required, even at 90% LTV  
Two approvals, two loans to process and close

## **SBA 7(a) Loan Specifics:**

As little as 10 % down payment  
Fixed rates up to 25 years  
Fully amortized 25 year term  
3 Year PPP plus 25% annual reductions allowed  
Most loans close in 45 - 60 days  
Additional collateral may apply; None generally needed at 85% LTV.  
One loan, one approval, higher fees

The above figures are for discussion purposes only and are subject to change. This is not an offer or commitment to lend.  
All credit decisions are subject to credit qualification