

	SBA 7(A)	SBA 504	USDA B & I	CONVENTIONAL
LOAN PURPOSE	Purchase and/or improve owner-occupied Commercial Real Estate Machinery Equipment, Leasehold Improvements, Furniture and Fixtures, Inventory and other Business Assets, Working Capital, Refinance Existing Debt, Purchase an Existing Business, Loan Closing Costs.	Purchase and/or improve owner-occupied Commercial Real Estate and Machinery and Equipment with a 10 year life.	Purchase and/or improve owner-occupied Commercial Real Estate, Machinery and Equipment, Leasehold Improvements, Furniture and Fixtures, Inventory and other Business Assets, Working Capital, Refinancing Existing Debt, Loan Closing Costs.	Purchase and/or improve owner-occupied Commercial Real Estate, Machinery and Equipment, Leasehold Improvements, Furniture and Fixtures, Inventory and other Business Assets, Working Capital, Refinance Existing Debt, Purchase an Existing Business, Loan Closing Costs.
LOAN AMOUNT	\$100,000 to \$5,000,000	\$5,000,000 subject to Job Creation Goals \$5,000,000 subject to Public Policy Goals \$5,500,000 for Small Manufacturers		Up to \$500,000
TIME TO CLOSE	Closing within 60-90 days of application.	After all construction, if any, is completed.	Closing within 90 - 120 days of application.	Closing within 45-60 days of application.
LOAN TO VALUE	Up to 100%	Up to 90%	Up to 90%	Up to 75%
INTEREST RATE	Variable rate based on spread over the Wall Street Journal (WSJ) Prime Rate.	Fixed rate for the term of the 504 loan.	Variable Rate based on spread over the Wall Street Journal (WSJ) Prime Rate.	Fixed rates based on the spread over the Wall Street Journal (WSJ) Prime Rate at time of loan closing
TERM	Up to 25 years based on the loan purpose. No balloons or calls -- fully amortizing over the life of the loan.	20 years for Commercial Real Estate. 10 Years for Machinery and Equipment. No balloons or calls – fully amortizing over the loan term.	Up to 30 years based on the loan purpose. No balloons or calls -- fully amortizing over the life of the loan.	Due to Arkansas's current usury law, the term of a conventional loan to be determined on a case-by- case basis. Loan amortization to match useful life of assets being financed.
PREPAYMENT PENALTY	No penalty for loans with terms less than 15 years. Declining penalty over 3 years for long term loans.	Declining penalty over the first half of the loan term.	5% for first five years	None
FEES	No Loan Origination Fee. One time SBA Loan Guarantee Fee based on loan size. Good Faith Deposit required.	SBA Funding Fee 0.25% of the 504 Loan Processing Fee 1.5% of the 504 Loan Underwriter Fee 0.4% or 0.375% of the 504 Loan amount depending on term Good Faith Deposit is required.	No Loan Origination Fee One time USDA Loan Guarantee Fee (2%) Good Faith Deposit required	Good Faith Deposit required
COLLATERAL	First Lien on all assets being financed.	Second Lien on all assets being financed.	First Lien on all assets being financed.	First Lien on all assets being financed
RECOURSE	Personal guarantees for all principals owning 20% or more Corporate guarantees of affiliated companies may be required.	Personal guarantees for all principals owning 20% or more Corporate guarantees of affiliated companies may be required.	Personal guarantees for all individuals owning 20% or more. Corporate guarantees of affiliated companies may be required.	Personal guarantees for all individuals owning 20% or more. Corporate guarantees of affiliated companies may be required.
DEBT SERVICES REQUIREMENTS	Historical/Projected debt service coverage of 1.2 times.	Historical/Projected debt service coverage of 1.2/1.25 times.	Historical/Projected debt service coverage of 1.2/1.25 times.	Historical/Projected debt service coverage of 1.2 times.
INDUSTRIES	All for-profit businesses that meet SBA eligibility requirements.	All for-profit businesses that meet SBA eligibility requirements.		Most Industries in Arkansas with an operational Area of the State of Arkansas.

