

# TIMELINE

## SBA 504 LOAN PROGRAM

### STEP 1

## INITIAL BORROWER CONTACT

- Collect preliminary package from borrower
- Collect purchase contract/proposal and construction bid
- Review project for overall credit-worthiness

- Introduction to borrower
- Review proposed project for SBA eligibility
- Explain financing options available and discuss project structure

### STEP 2

## PREQUALIFICATION

- Work with buyer's existing lender or identify lender options
- Obtain a lender's Letter of Intent (LOI) for financing

### STEP 3

## SECURE A LENDER

- Lender engages the Environmental Report
- Lender engages an Appraiser
- CDC obtains internal loan approval

### STEP 4

## UNDERWRITING / FILE PREPARATION

- SBA approval, subject to appraisal/environmental reports
- Lender issues a final Commitment Letter (if applicable)

### STEP 5

## SBA / LENDER CONDITIONAL APPROVAL

- SBA & Lender clearance of Environmental
- SBA & Lender clearance of Appraisal Value

### STEP 6

## SATISFY CLOSING CONDITIONS

- Buyer comes in with down payment
- Bank funds one permanent loan and one interim loan
- Close SBA Loan (unless construction)

### STEP 7

## ESCROW CLOSSES

- Complete construction draws with bank until fully funded
- Obtain CO or permit sign-off
- Obtain final lien waivers
- Close SBA 504 Loan with funding taking place 45-60 days later

### STEP 8

## COMPLETE CONSTRUCTION / CLOSE SBA LOAN

