



Getting Started On Your FFCFC 504 Loan

The first step is to contact an FFCFC Loan Officer to discuss the project. Your loan officer will quickly provide you with a proposal and then work with you through the entire 504 loan process. Basic application materials include:

- Three years of financial statements and federal tax returns on the company.
- Two to three years of financial projections if no historical cash flow ability.
- Personal financial statement on the owners of the company.
- Written history of the business, reasons for expansion and plans.
- Copy of contract of sale.
- Personal history statement of principals indicating citizenship status.

FFCFC 504 Loan Criteria and Eligible Use of Proceeds

The following list is designed to aid in determining if a customer or prospect is a good candidate for the 504 Loan Program. This list is not intended to be the final word on whether a potential recipient will qualify or not, but rather a quick and easy reference sheet. Despite the ease of the process, there are criteria beyond the items listed here that could qualify or disqualify a candidate. Please contact an FFCFC Loan Officer for specific details.

Eligibility Criteria:

- The borrower must be a legal entity: corporation, partnership, sole proprietor or limited liability company.
- The borrower must be a for-profit business located in or planning to locate in Florida.
- **(NEW)** Businesses with a maximum tangible net worth of not more than \$15 million and average net income after Federal income taxes (excluding carry-over losses) for the two full fiscal years prior to application of not more than \$5 million are now eligible for 504 financing (temporary until the SBA publishes a permanent regulation).
- The borrower's main line of business cannot be real estate development, although a construction company or other specialty contractor could be eligible.
- The project cannot be entirely income producing (i.e. relying on tenant income).
- The borrower must occupy at least 51% of the space on a purchase, and at least 60% of the space if the project is new construction.

Use of Proceeds:

- Acquisition of vacant land for construction of a new building.
- Construction of a new building.
- Acquisition of land and existing building.
- Remodel, convert, expand, or renovate existing building.
- Green initiative projects (use of sustainable design; reduced energy consumption; renewable energy or fuels).
- **(NEW)** Debt refinancing may now be used for refinancing of qualified existing debt without business expansion (temporary program).
- Purchase of long-life machinery and equipment.
- Purchase of furniture, fixtures and equipment.
- Contingency reserve, not to exceed 10% of the construction costs.
- Associated fees and soft costs (attorneys fees, architectural, engineering, surveys, etc.).
- Repayment of interim points, fees and interests.

Note: Costs incurred within nine months prior to the date of the 504 application to the SBA can be included in the project costs.

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