



SunTrust

Your SBA Lending Partner

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All credit subject to SBA and SunTrust criteria.

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SBA Background

Why SBA Lending is Attractive

- Low down payment (as low as 10%) – keeps personal liquidity accessible for new business owner
- Typically no cash required for partner buyout with pledge of existing equity reflected on balance sheet
- Blended amortization period (up to 25 years on CRE & 10 years on business acquisition) – preserves cash flow with lower monthly payments
- We will finance “goodwill” in accordance with SBA SOP guidelines
- Financing available for new & growing companies that need operating capital with 1-2 years of seasoned financials
- Expansion financing available to start/buy second/third location
- Loan decisions are not collateral dependent if none is available



SBA Commercial Real Estate Financing

SBA 7(a)

Advantages:

- As low as 10% down payment
- One lender, one loan decision, one payment
- As long as 25 year amortization
- Minimal 3 year prepay penalty
- Use of proceeds can include purchase, construction, leaseholds, refinancing, and non RE uses such as working capital, equipment, & business purchase
- No financial covenants

504 Loan

Advantages:

- As low as 10% down payment
- As long as 20 year amortization
- Fixed rate (\$5MM & larger if a manufacturer)
- Use of proceeds can include purchase, renovation & construction options and refinance
- Low combined bank & CDC rate will be benefit borrower
- Can accommodate larger CRE projects

SBA & SunTrust General Qualifying Criteria

- Business needs to demonstrate historical debt service to support business debts (or solid projections for start up companies)
- Guarantors need to have direct industry experience or strong transferable
- Active owner involvement in business (not remote or as a hobby)
- If also purchasing real estate, the business needs to occupy 51% of space; 60% if construction project
- Guarantors must have acceptable credit (not a "bad credit" program)
- Guarantors need to show solid post closing liquidity
- Borrowers must be a US Citizen or legal permanent resident alien
- Borrowers and affiliates must be within size standards of SBA
- Transactions must finance an eligible SBA type of business and eligible project costs
- For profit businesses only



SunTrust: Favorite & Tough Deals

Favorite Deals:

- Partner buy out
- Medical/Dental/Vet practices
- Professional businesses (CPA, lawyer, architect)
- Manufacturing/Distributing businesses
- Service related businesses
- Direct Experience in business

Tough Deals:

- Restaurant industry (especially start ups)
- Ground leases
- Environmentally distressed properties
- Recreational properties (e.g. golf courses)

Deals we won't do:

- Dealerships – all types
- Hotel/motels
- Residential contractors/Home builders
- Real Estate Developers



Small Business Jobs Act

- The act was passed 9/27/2010 in hopes of creating jobs and stimulating the economy
- Increased loan amounts for 7a and 504
- 7a new maximum loan amount is \$5MM
- 504 new maximum loan amount is \$5.5MM on the SBA portion
- 504 product is now available for refinances in early 2011

Why More Businesses Don't Get SBA Loans

- Myth #1 My business won't qualify
 - Government guarantee means more businesses qualify
- Myth #2 Too much paperwork
 - SunTrust SBA champions walk you through the process
- Myth #3 Too slow
 - Decision in 10 days
 - Closing can take place in less than 30 days
- Myth #4 SBA loans are only for small amounts
 - \$5MM for 7a and \$12.5MM for 504
- Myth #5 I don't like working with the government
 - Loans are SunTrust monies. Only guaranteed by government
- Myth #6 Fees and interest rate are too high
 - Fees can be financed and the latest 504 interest rate is a low fixed for 20 years