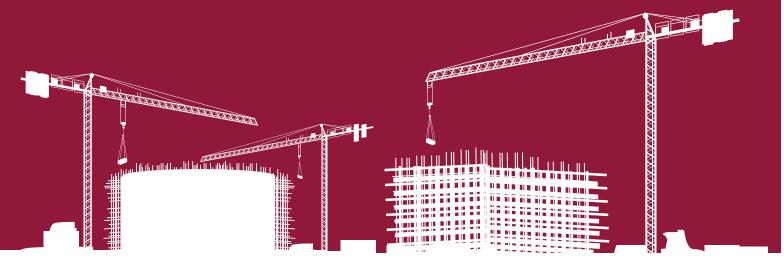
# CONSTRUCTION TO SBA 504 PROGRAM



AVANA Capital is a Nationwide Commercial Real Estate Lender for businesses in a range of industries. Our firm provides lending on new construction for projects up to \$25 million in size. We've funded more than \$850 million in loans resulting in 9,000 new jobs created and maintained.

#### **Eligible Properties for Lending** Loan Guidelines Minimum Loan Amount Hotels Physician Offices \$500,000

Hospitality / Special Use DSCR 1.25x | LTV 85% Multi-Use DSCR 1.10x | LTV 90%

## Assisted Living Facilities

- Skilled Nursing Care
- Grocery Stores
- Schools/Day Cares
- Insurance Offices
- Veterinary Clinics
- Pharmacies
- Dealerships
- Manufacturing/Industrial
- · And Many More...





### West Chester. Ohio

\$18.75 million with SBA 504 Green Loan Ground up construction for hotel, restaurant and events center

#### SPRINGHILL SUITES Marriott

Marina, California \$15.5 million with SBA 504 Green Loan Ground up construction for hotel

# Garden Inn<sup>-</sup>

#### Lompoc. California \$20.9 million with SBA 504 Green Loan

Ground up construction for hotel

Toll-Free 877.850.5130 | www.avanacapital.com | avanateam@avanacapital.com

AZ CBK# 0921662 | CA DBO# 603K752

# **CONSTRUCTION TO SBA 504 UNDERWRITING GUIDELINES**

Equity	15% - 20% hard equity contribution, cash + land (at cost), is required.
Global Debt Service Coverage Ratio	Borrower must pledge properties/entities to AVANA Capital that can provide global DSCR support from surplus cash flow for 0.50x - 1.00x as determined in underwriting.
Contingency	10% contingency and construction term interest reserve must be accounted for in the project cost.
Post-closing Liquidity	5% - 10% of total loan amount (1 <sup>st</sup> + 2 <sup>nd</sup> mortgage amount), available upon completion of construction.
Property Tax	Monthly escrow of insurance and property tax payments is required.
Third Party Cost Review	Borrower must agree to third party cost review, contractor evaluation report, and third party fund monitoring during construction. All related costs may be included in project cost.
Performance Bond	Borrower may be asked to provide performance bond from their contractor or completion guarantee. Subject to third party review of contractor.
SBA Eligibility	The borrower must be eligible under the SBA 504 or SBA 504 Green Loan initiative programs.
Minimum FICO	
Score	680
	680 Three years minimum ownership experience demonstrating successful (profitable) operation of same business.
Score Ownership Experience Maximum LTV	Three years minimum ownership experience demonstrating successful (profitable) operation of
Score Ownership Experience	Three years minimum ownership experience demonstrating successful (profitable) operation of same business.
Score Ownership Experience Maximum LTV For 1 <sup>st</sup> Trust	Three years minimum ownership experience demonstrating successful (profitable) operation of same business.   Multi-Purpose 50% - 55% (Maximum LTV – Up to 90% on total project cost)   Hospitality & 50% - 55% (Maximum LTV – Up to 85% on total project cost)