



“Our SBA Dashboard”

What is an SBA Loan?

An SBA loan is a loan originated by First Horizon Bank. The loan is serviced from application to closing by . First Horizon Bank gets a letter of guaranty from the U.S. Small Business Administration for a percentage of the loan in case of credit loss. This guaranty allows First Horizon Bank to make loans and create loan structures it would not be able to do conventionally.

Who is eligible?

All businesses that are “for-profit” and not considered passive businesses. Passive businesses are non-owner occupied businesses (i.e. locations of strip centers, office buildings, apartment complexes, etc.).

What can an SBA loan be used for?

- Leasehold improvements (tenant build-outs)
- Franchises
- Acquire real estate or equipment
- Business Acquisition
- Debt Refinance
- Permanent working capital

SBA Loan Maturities

- Real Estate–Up to 25 years
- Equipment–Up to 15 years
- Working Capital–Up to 10 years

Why Apply for a First Horizon SBA Loan?

- ✓ Lower Down Payment Requirements (preserves cash for your business)
- ✓ Longer Repayment Terms (lowers your monthly loan payment)
- ✓ No Balloons (never worry again about a ballooning commercial loan)
- ✓ SBA Application Assistance: We will handhold you through the SBA process from Application to close
- ✓ Local Bankers, Local SBA Application Assistance and quick underwriting and Approval

How do you get started at First Horizon Bank?

Applicants/Banker submits the following to SBA Banker:

1. Last three years of Federal IRS tax returns on business
2. Last three years of Federal IRS tax returns on all 20% or greater owners
3. Three years of personal Federal IRS tax returns on all 20% or greater owners
4. Current personal financial statements on all 20% or greater owners
5. Copy of driver’s license on all 20% or greater owners
6. Current Business Debt Schedule

All applications are subject to credit approval, full documentation, an acceptable appraisal and clear title. Your results may differ. Rate and terms subject to change without notice.

Scenario: Applicant purchasing a building for \$1,000,000. Will occupy 100% of the space.

	Conventions Loan Option	SBA Loan Option
Purchase Price:	\$1,000,000	\$1,000,000
Down Payment	30%	10%
Cash due at Closing	\$300,000	\$100,000
Interest Rate	5 year fixed @ 7% or possible Float at WSJP plus a spread Determined by Bank	Maximum rate WSJP +2.75 floating
Prepayment Penalty:	5, 4, 3, 2, 1	5, 3, 1
Term/Amortization:	5 year term/15 year amortization	25 year term and amortization (No Balloons)
Loan Fees:	1% or \$10,000 plus third Party due diligence	3.5% on 75% of the gross loan \$750,000x 3.5%=26.250 payable to the SBA and added to Loan amount. Other third party cost identical to Commercial loan
Personal Guaranty:	Required	required on any 20% or greater shareholder
Loan Payment:	\$8,988 per month principal And interest	\$6,443 per month Principal and interest

Conclusion:

- \$200,000 less in “cash down” with an SBA Loan.
- SBA fee may exceed conventional loan fee; however SBA loans never balloon Therefore, buyer does not need to pay \$5-10k per renewal every three-five years like they would on a conventional loan.
- Loan payment is \$2,545 less per month or \$30,540 annually.

Think SBA First!

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Houston, Dallas and Louisiana Market