



**Comparison between the Thomas USAF Direct Rural Lending Program, USDA B&I Loan Program and the SBA 7(a) & 504 Loan Program**

|                                   | <b>Thomas USAF Direct Rural Lending Program</b>  | <b>USDA Rural Development B&amp;I</b>   | <b>SBA 7a</b>   | <b>SBA 504</b>   |
|-----------------------------------|--|---|---|--|
| <b>Maximum Loan Size</b>          | \$25,000,000   | \$10,000,000<br>(Administratively restricted from \$25 Million)   | \$5,000,000   | 50% 1 <sup>st</sup> - \$6-\$8,000,000<br>30-40% 2 <sup>nd</sup> \$5,500,000<br>Total<br>\$13,500,000                             |
| <b>Typical Eligible Purposes</b>  | Permanent Financing, Interim if coupled w/SBA 504 and Construction; Can do Refinancing                           | Startup, Expansion, Business Acquisition, Commercial Real Estate, Working Capital, Equipment, Inventory and Refinancing | Startup, Expansion, Business Acquisition, Commercial Real Estate, Working Capital, Equipment, Inventory and Refinancing | Commercial Real Estate, Acquisition, Major Renovations, New Construction, Major Equipment, No Refinancing                        |
| <b>Available Loan Terms</b>       | Up to 20 years with 30 year Amortization   | 30 years for RE Loans<br>15 years for FF&E or useful life remaining of collateral, Working Capital 7 years              | 25 years for RE Loans<br>15 years for FF&E or useful life remaining of collateral, Working Capital 7 years              | 1 <sup>st</sup> lien, up to 30 years<br>2 <sup>nd</sup> lien, up to 20 years for Commercial Real Estate<br>10 years on equipment |
| <b>Government Guarantees</b>      | None, can be coupled with SBA 504 Loan Program   | Typically 80% on loan amounts \$5,000,000 or less<br>70% \$5 to \$10 million<br>60% over \$10 million                   | 75% on most loans   | 1 <sup>st</sup> lien No Guarantee<br>2 <sup>nd</sup> lien is a SBA Debenture   |
| <b>Borrower Fee to Agency</b>     | None   | Up to 3% of Guaranteed Amount   | Up to 3.75% of Guaranteed Amount  | 3.5 % of Debenture Amount  |
| <b>Eligible Businesses</b>        | Existing Essential Rural Businesses and Businesses Catering to the Agriculture Sector                            | Both profit and nonprofit businesses  | Only for profit businesses  | Only for profit businesses   |
| <b>Owner Occupied</b>             | Not a Requirement unless coupled with SBA 504  | Not a requirement   | Must Be   | Must Be  |
| <b>Business Size Restrictions</b> | None   | None  | YES, Borrower Net Worth must be below \$15 MM   | YES, Borrower Net Worth must be below \$15 MM  |
| <b>Location Restrictions</b>      | No, same as USDA. Yes, exceptions can be made for Ag processors, etc. - must meet USDA B&I's Definition of Rural | YES, business must be located in rural areas-less than a 50,000 population.   | In the USA or its territories   | In the USA or its territories  |

**Call to find out if your business can qualify for the Direct Rural Lending Program!**

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