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## Helpful Tips to Qualify for an Owner/User SBA Purchase

Here are some helpful guidelines for qualifying for an owner/user SBA loan:

1. If the business gross sales are equal to or greater than the purchase price that is a good sign.
2. If the business rent is within 1/2 of the new mortgage that is a good sign.
3. Use an estimated payment of approx. \$5,500 for a \$1,000,000 purchase.
4. Need a minimum cash down payment of 10% or the following two exceptions:
  1. Seller carry can be used in lieu of borrower cash.
  2. If tenant currently leases the building he's buying and improves the building with his own funds, those funds can be used as a contribution toward his down payment. Special language needs to be added to lease or purchase agreement as such.

The different programs offered by SBA are as follows:

### Basic 7a Loan Program:

Gives 7(a) loans to eligible borrowers for starting, acquiring and expanding a small business. This type of loan is the most basic and the most used within SBA's business loan programs. Borrowers must apply through a participating lender institution.

### CDC 504 Loan program:

Provides growing businesses with long-term, fixed-rate financing for major fixed assets, such as land and buildings.

### Microloan Program:

Provides start ups or growing small businesses with small loans maximum \$50K.

Source: Spectrum Commercial Lending and [www.SBA.gov](http://www.SBA.gov)

## Featured Property: For Sale or Lease



**NEW CONSTRUCTION!**

**634 South 1<sup>st</sup> Avenue Covina, CA**

- **2,199 SF Office building situated on over 7K SF of land.**
- **Built with upgraded finishes throughout including TPO Energy Efficient roof, triple-pane windows, Granite counters in kitchen and restrooms, etc.**
- **Possible to Divide into two Units**
- **Five private offices, large bull-pen area, reception, two restrooms, kitchen, server room/storage closet and 7 parking spaces.**
- **Walking Distance to Restaurants, Shopping and close 10 freeway access. High ceilings, energy efficient lighting and attractive exterior design.**

**Call for more information and pricing.**



***Linda Vidov-Elkaim*** (CA Broker Lic. #1715788)

**Linda specializes in commercial and industrial sales and leasing throughout the San Gabriel Valley. She has extensive knowledge in 1031 exchange transactions, investment opportunities, and market analysis. Feel free to contact Linda with any questions or requests for information.**

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*Affiliated with Provenio Realty*

100 W. Lemon Ave Suite 101 Monrovia, CA 91016  
O: 626.340.2270 C: 626.399.3715 F: 626.605.5003  
E-Mail: [Linda@TopComRealty.com](mailto:Linda@TopComRealty.com) • [www.TopComRealty.com](http://www.TopComRealty.com)