

HARBORWEST

YOUR COMMERCIAL REAL ESTATE FINANCE POWERHOUSE.

MULTIFAMILY (5+ UNIT) LENDING PROGRAM

Nationwide multifamily (5+ units) financing solutions starting at \$1,000,000 for purchase, refinance, bridge and construction investment property needs.

COMMERCIAL & NNN LENDING PROGRAM

Nationwide commercial & NNN financing solutions starting at \$1,000,000 for purchase, refinance, bridge and construction investment property needs.

OWNER-USER BUSINESS LENDING PROGRAM

Nationwide owner-user business financing solutions starting at \$1,000,000 for purchase, refinance, bridge and construction business property needs.

COMMERCIAL MORTGAGE BROKERAGE. SIMPLIFIED.

HARBORWEST is a nationwide commercial mortgage brokerage and advisory company. Our team specializes in providing commercial real estate financing strategy and solutions for high net worth California investors, developers and business owners.

We are proud to be #1 rated in our industry by **GOOGLE BUSINESS** for 2021, 2022 and 2023. Explore client reviews for insight into proven results with our team (*120+ reviews*).



LET'S CHAT.
949-735-6415

[HARBORWESTCOMMERCIAL.COM](https://www.harborwestcommercial.com)



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WHAT LOAN PROGRAMS ARE AVAILABLE FOR OWNER-USERS?

Owner-occupied commercial real estate loans can fall into a few different buckets depending on both qualification and client strategy. Qualification factors include available down payment, operating company financials, historical performance, industry type, loan amount and personal credit among other factors. Client strategy factors to consider may include allocated down payment, short- or long-term holding period, buildout requirements and available banking relationship. There are a few core programs that will likely be explored for owner-user clients. Each program has their own advantages and drawbacks (assuming the client qualifies for all of them). Our team can determine for you which programs you are qualified for, and make a recommendation based on your individual situation. A summary of each program is available on the next page.

Conventional Program (typically 25%+ down, with no SBA involvement)

SBA 504 Program (typically 10-15% down with SBA, real estate only)

SBA 7(A) Program (typically 10-15% down with SBA, real estate + business)

Private Lending Program (typically 25%+ down, sub-prime companies)

WHAT LOAN DISCUSSION POINTS SHOULD BE CONSIDERED?

- o What down payment amount are you willing and able to contribute?
- o Do you have short-term plans to sell the building or company, or change structure?
- o Do you currently own real estate, and would you be willing to lien that other property?
- o How much banking relationship are you able to contribute to a new lender?
- o Is there construction build out required, or is the property move-in ready now?
- o What is most important to you? (Lowest rate, payment stability, flexibility, service)

WHAT DOCUMENTATION WILL NEED TO BE PROVIDED?

COMPANY FINANCIALS

- o Last 3 years' company tax returns
- o Interim financials – YTD P&L report
- o Interim financials – current balance sheet
- o Current A/R report, current A/P report
- o Debt schedule for long-term liabilities
- o Company profile and questionnaire

SUPPORTING DOCUMENTS

- o Personal financial statement
- o Personal schedule of real estate
- o Last 3 years' personal tax returns
- o Property photos and/or marketing
- o Purchase contract (if a purchase)
- o Company map & entity documentation

LEARN MORE.

Schedule a Call.



+1 949-735-6415 MO

+1 949-200-7796 HQ



info@harborwestcommercial.com
www.harborwestcommercial.com



895 Dove Street, 3rd Floor
Newport Beach, CA 92660



WHAT ARE THE DIFFERENCES BETWEEN THE PRIMARY OPTIONS?

Below is a reference table comparing the SBA 504 program, SBA 7(A) program, and conventional banking programs. This should only be used for discussion purposes as there are considerable gray areas within these programs which should be discussed in detail with **HARBORWEST**.

***SBA loan programs are subject to eligibility which will include a review of the company's tax status (for-profit or non-profit), access to alternative funds, annual revenue limits, company net worth limits, location of operations, number of employees, and use of funds among other qualification tests.*

	SBA 504 Program	SBA 7(A) Program	Conventional
Maximum Loan	\$12.5 Million	\$5 Million	No Limit
Down Payment	10% Minimum	10% Minimum	25% Minimum
Lien Structure	1 st & 2 nd Trust Deeds	1 st Trust Deed Only	1 st Trust Deed Only
Amortization	20 & 25 Years	25 Years	Typically, 25 Years
Overall Loan Fees	Moderate	Highest	Lowest
Eligible Purchase	Real Estate Only	Real Estate/Business	Real Estate Only
Credit Requirements	Strict Requirements	Lenient Requirements	Varies by Lender
Inventory/Capital	Not Allowed	Yes, Allowed	By Separate Loan
Prepay Penalty	Typically, 10 Years	5-3-1-0%	Varies by Lender
Additional Collateral	None Required	Yes for 90% Loans	None Required
Fixed Rate Period	Fixed Rates	Fixed or Floating	Typically Fixed
Use of Funds	Job Creation	Expansion	Both
Annual CF Covenant	Yes, 2 nd SBA Lien	Typically, None	Varies by Lender
Paydown Allowance	1 st Varies, 2 nd None	25% Annual Allowed	Typically, 20% Annual

ADVANTAGES – SBA 504 Program

Larger loan limits vs. 7(A), less SBA fees vs. 7(A) since only charged on the 2nd trust deed, can include longer fixed terms and preferred prepay structures on the bank's 1st trust deed, no additional collateral required at 90% LTV, and typically lower rates overall.

ADVANTAGES – SBA 7(A) Program

Much more flexible for deals with hurdles or new businesses, can include financing for the business (goodwill, inventory, equipment, etc.) in addition the real estate, 25-year fixed programs available for stronger companies, shorter 5-3-1-0% prepay penalty, can be quicker to fund vs. 504, more bank control vs. SBA 504.

ADVANTAGES – Conventional Program

Lowest fees among options, most flexibility in fixed rate period and prepay penalty structure, no additional SBA review or approval required, no maximum loan limit, largest rate discounts with banking relationship and deposits, less eligibility restrictions including financing for non-profits, high revenue companies, and companies with international operations.

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