

Summit Bank SBA Division Program Guideline Matrix

The chart below details general terms under which the Bank will make SBA 7(a) loans. These are guidelines only and some loans will fall outside of these parameters in order to provide an appropriate solution for a borrower and adhere to SBA rules and regulations

Loan Type	Definition	Collateral	Loan Amount: \$25M - \$5MM	Maximum Term	Desired Rate	Payment Terms	Prepayment Terms	Debt Service (includes Operating Company and Eligible Passive Company)	Special Program Notes
7(a) - Commercial Real Estate for existing businesses - including acquisitions, rehabilitation, renovation or construction	Term loan to purchase owner/user commercial real estate	1st DOT, Assignment of rents, UCC on business assets	Minimum of \$100,000, up to 90% LTV/LTC, minimum 10% cash injection	15 - 20 years on special purpose properties per Summit Bank Loan Policy 25 years	WSJ Prime + a margin to not exceed 2.75%, with adjustment periods of 3yr or 5yr	Fully Amortizing	Term must be 15 years or more, then 5%, 3%, 1%, for first 3 years, however 25% prepay allowance is allowed	Minimum 1.2:1.00 most recent full year and interim. Projected of 1.25:1.00. Expansion projects require a 1.25:1.00 last full two years	The maximum maturity for these loans is 25 years plus any additional period reasonably necessary to complete the construction or improvements
7(a) - Debt Refinance	*See Refi Notes Below*	Real property, equipment, deposit accounts, and other business assets, and all personal real estate (if 25% or more equity)	90% total project financing, minimum 10% cash injection	Up to 10 years	0 - 7Yr Term: WSJ Prime + 2.25%, adjust quarterly 7+Yr Term: WSJ Prime + 2.75%, adjust quarterly	Fully Amortizing	None (not eligible for prepayment since term is less than 15 years)	Minimum 1.20:1.00 most recent full year and interim. Projected of 1.25:1.00	*See notes below
7a - Business Acquisition & Expansion	Term loan for the purpose of purchasing or expanding an existing business	Business assets (UCC Filing) and all personal residence regardless of equity available.	Minimum 15% cash injection, 85% total project financing	Up to 10 years	0 - 7Yr Term: WSJ Prime + 2.25%, adjust quarterly 7+Yr Term: WSJ Prime + 2.75%, adjust quarterly	Fully Amortizing	None (not eligible for prepayment since term is less than 15 years)	Minimum 1.25:1.00 most recent full year and interim. Projected of 1.25:1.00	If the change of ownership is a complete change and any existing debt is part of the transaction, the debt doesn't have to meet the 10% installment payment savings or other items outlined in the refinance requirements. If the change of ownership is between existing owners of a business and existing debt is part of the transaction, then refinance requirements must be met.

7(a) - New Business Start-up Loan	Term loan for the purpose of starting a new business	Business assets (UCC Filing) and all personal real estate (if 25% or more equity)	80% of total project/start up, minimum injection of 20%	Up to 10 years	0 - 7Yr Term: WSJ Prime + 2.25%, adjust quarterly 7+Yr Term: WSJ Prime + 2.75%, adjust quarterly	Up to 6 month draw period (interest only), followed by 9.5 yrs (114 months) of P&I payments fully amortizing	None (not eligible for prepayment since term is less than 15 years)	No historical coverage required. Projected coverage of 1.20:1.00 in the first year and 1.25:1.00 in year two. Secondary income source highly encouraged.	Adequacy of W/C to be verified and documented
7(a) - Inventory or Working Capital	Term loan for working capital or inventory purchase	Real property, equipment, deposit accounts, and other business assets, and all personal real estate (if 25% or more equity)	80% of total project, minimum injection of 20%	Up to 7 years	0 - 7Yr Term: WSJ Prime + 2.25%, adjust quarterly 7+Yr Term: WSJ Prime + 2.75%, adjust quarterly	Fully Amortizing	None (not eligible for prepayment since term is less than 15 years)	1.25:1.00 last two full years and projected	Terms for a W/C or inventory loan should be appropriate to the borrower's ability to repay up to 10 years. Use of proceeds to be verified with documented need for W/C to generate additional revenue in business plan
7(a) - Equipment, Fixtures or Furniture	Term loans to purchase new or used equipment	Existing or purchased business equipment, together with UCC filing	90% of total project, minimum cash injection of 10%	10 years except when the useful life of the asset exceeds 10 years	0 - 7Yr Term: WSJ Prime + 2.25%, adjust quarterly 7+Yr Term: WSJ Prime + 2.75%, adjust quarterly	Up to 6 month draw period (interest only), followed by 9.5 yrs (114 months) of P&I payments fully amortizing	None (not eligible for prepayment since term is less than 15 years)	1.25:1.00 last two full years and projected	When maturity exceeds 10 years, lender must document the loan file that the reasonable economic life of the asset(s) acquired is greater than 10 years and final maturity must not exceed the useful economic life of 25 years, whichever is less. No rolling stock, rental equipment and office equipment. See SBA policy and procedures for advance rates
7(a) - Leasehold Improvements (TI's)	Term loan for leasehold improvements of commercial real estate (owner/user)	Business assets (UCC Filing) and all personal real estate (if 25% or more equity)	85% of total project, minimum cash injection of 15%	Up to 10 years	WSJ Prime + 2.75%, adjust quarterly	6 - 9 months draw period (interest only), followed by 10yrs (120 months) of P&I payments fully amortizing	None (not eligible for prepayment since term is less than 15 years)	1.25:1.00 last two full years and projected	

* SBA Guarantee Fee (per SOP):

\$0 - \$150M = 2.0% of guaranteed amount / \$150M - \$700M = 3.0% of guaranteed amount/ \$700M - \$5MM = 3.50% of guaranteed amount PLUS 3.75% of guaranteed amount above \$1MM