



# General Rates and Terms

– August 2019

SalemBridge Advisors, LLC 2019

PIER 17

For Companies with less than \$1MM in EBITDA

	Bank Credit	SBA Lenders	ABL (Non-Bank)	Factoring	Equipment Lease	ACH Loans
<b>Loan Size</b>	\$50,000+	\$100,000+	\$500,000+	\$50,000+	\$50,000+	\$50,000+
<b>Maturity</b>	3-25 years	7-25 years	1-10 years	No contracts	2-5 years <sup>1</sup>	3-24 months
<b>Loan Type</b>	Term / Line of Credit	Term / Line of Credit	Term / Line of Credit	Line of Credit	Lease, Sale Leaseback	Daily / Weekly ACH
<b>Pricing</b>	Prime +2	Prime +1.25	8-18%	18-35%	-	35-99%
<b>Origination Fee</b>	1-2%	1-3%	1-2%	1-3%	1-5% <sup>2</sup>	1-5%
<b>Funding Time</b>	2-6 months	3-6 months	2-6 weeks	24-72 hours	24-72 hours	24-48 hours
<b>Minimum FICO</b>	625+	650+	500+	500+	500+	500+
<b>Collateral</b>	Business / Personal	Business / Personal	A/R, Inventory, Real Estate, M&E	A/R, Credit Card Sales	Equipment	Unsecured
<b>Revenue Requirements</b>	\$500,000+	\$500,000+	\$500,000+	\$300,000+	\$300,000+	\$300,000+
<b>Personal Guarantees</b>	Sometimes	Yes	Sometimes	Sometimes	Yes	Sometimes
<b>Prepayment Penalties</b>	Yes	Yes	Yes	Sometimes	Yes	No

1. Typical length for an equipment lease, although could vary significantly
2. There are usually no prepayment penalties for equipment leases below \$75,000.

### For Companies with EBITDA of \$1MM+

	Revolver	Term Loan	Term Loan B	Senior Notes	Subordinated Notes	Mezzanine
<b>Ranking</b>	Senior Secured	Senior Secured	Senior Secured / Second-lien	Senior / Unsecured	Subordinated	Equity
<b>Based off:</b>	Assets / Cash-Flow	Assets / 3x4 EBITDA	Assets / 3x4 EBITDA	Assets / 3x4 EBITDA	Assets / 3x4 EBITDA	2-4x EBITDA
<b>Secured?</b>	Yes	Yes	Yes	Sometimes	No	No
<b>Tenor</b>	3-5 years	4-6 years	4-8 years	4-10 years	5-10 years	3-12 years
<b>Pricing</b>	LIBOR +/- 2-3%	LIBOR +/- 2-3%	LIBOR + 4-8%	8-14%	10-15%	15-20%
<b>Coupon</b>	Floating	Floating	Floating	Fixed	Fixed	Fixed / Dividend
<b>Amortization</b>	None	Straight Line	Minimal	Bullet	Bullet	Bullet
<b>Term</b>	Demand	Demand	Term	Term / Patient	Term / Patient	Term / Patient
<b>Cash Pay?</b>	Yes	Yes	Yes	Yes	Yes	Cash / PIK
<b>Warrants</b>	None	3-10% <sup>1</sup>	3-10% <sup>2</sup>	3-15%	3-15%	3-20%
<b>Covenants</b>	Maintenance	Maintenance	Maintenance	Incurrence	Incurrence	Incurrence
<b>Prepayment?</b>	Yes	Yes	Yes	No	No	No
<b>Call Protection</b>	No	Sometimes	Sometimes	Yes	Yes	Yes
<b>Investors</b>	Banks, Insurance Companies, Pension Funds, BDC's			Hedge Funds, Mezzanine, Merchant Banks, HNWI		

1. Warrants are not always included with Term loans

2. Warrants are not always included with Term B or "Tranche B" and/or Second-lien debt.

### For Commercial Real Estate

	SBA 504 Loan	SBA 7a Loan	Conventional	Online Lending	Hard Money Loan	Ins. / Conduit
<b>Loan Size</b>	\$500,000-\$13MM	\$100,000+	\$250,000+	\$25,000+	\$50,000+	\$2,000,000+
<b>Maturity</b>	20 years <sup>1</sup>	25 years	5-10 years <sup>2</sup>	6 mo. – 5 years	6 mo. – 3 years	5-25 years <sup>6</sup>
<b>Rate Type</b>	Fixed / Variable <sup>3</sup>	Variable	Fixed / Variable	Fixed / Variable	Fixed	Fixed / Variable
<b>Avg. Pricing</b>	4.38 to 4.49%	5.25 to 9.25%	4.2-8%	7-30%	10-20%	4.3-5%
<b>Origination Fee</b>	1-2%	1-3%	1-2%	1-3%	1-5%	0.5-2%
<b>Typical LTV</b>	80-90%	80-90%	70-80%	Up to 90%	50-70%	60-75%
<b>Minimum FICO</b>	675+	675+	650+	600+	500+	700+
<b>Owner Occupied</b>	51% + <sup>5</sup>	51% +	-	-	-	-
<b>Net Worth Req.</b>	< \$15MM	< \$15MM				
<b>PG's</b>	Sometimes	Yes	Sometimes	Sometimes	Yes	No
<b>Prepayment</b>	Yes <sup>4</sup>	Yes	Yes	Sometimes	Yes	Sometimes <sup>7</sup>
<b>Penalties</b>						
<b>Easy to Qualify?</b>	Difficult	Difficult	Difficult	Moderate	Easy	Difficult

1. SBA Loans are fully amortizing loan and do not permit balloon payments.
2. Conventional Bank Loans usually come with balloon payments.
3. The rates for 504 Loans are fixed for the CDC portion, and can be either for bank portion.
4. 504 Loans usually have pre-payment penalties, but only for first 10 years.
5. If purchasing a new building, must be 60% owner-occupied.
6. Conduit/CMBS Loans usually come with 20-30yr amortization period
7. Conduit/Insurance Company Loans pre-payments are through defeasance or yield maintenance