

SBA 504 GREEN ENERGY LOAN PROGRAM AN INSIDER'S GUIDE

WHAT IS THE 504 GREEN ENERGY LOAN PROGRAM?

Business owners looking to purchase commercial real estate can secure multiple SBA 504 Loans (up to \$5.5 million maximum SBA/CDC contribution) for each project that meets SBA's green energy standards.

BENEFITS

Larger SBA/CDC Loan Amount

SBA maximum contribution increases to \$5.5 million cap with no maximum total project limit.

Non-Aggregated Lending

Borrowers can have multiple SBA 504 Green Project loans with no limit on how much capital is currently borrowed (up to the maximum SBA/CDC contribution of \$5.5 million per project). However, the total SBA/CDC contribution on multiple loans is capped up to \$16.5* million for the same business owner. (*available when combined with Goal #1 or #2.)

Save Money

Reduction in energy costs will have long-term financial benefits for the business, while most energy improvements/equipment can be financed within the loan.



ELIGIBILITY

Borrowers need to only meet one of the following goals to qualify:

GOAL #1

Reduce energy use by at least 10%

Improvements to a building currently occupied by the borrower must show a minimum of 10% reduction to energy usage (compared to historical consumption) through upgrades in equipment such as improved lighting, insulation, HVAC, and other energy consuming equipment.

GOAL #2

Renewable Energy Sources that Generate at least 15% of the energy used

The property must have upgrades performed that generate at least 15% of the energy used at the project facility. Energy that can be produced includes solar, wind, geothermal, hydro-power, and biomass.

Increased Used of Sustainable Designs

Increased used of sustainable design, including designs those that reduce the use of greenhouse gas emitting fossil fuels or low-impact design to produce buildings that reduce the use of non-renewal resources and minimize environmental impact..

Questions?

Capital CDC will work in conjunction with our energy consultant to get you the answers you need.



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