SBA Patriot Express Term Loan

Definition: This flexible and expedited loan program is intended for companies owned by veterans, active duty service members, active Reservists, and active National Guard members, or their spouses. It can be used to finance most any business term loan purpose including real estate construction / purchase / improvement, equipment purchase, business acquisition, debt refinance, and working capital. The main advantages of this program include fast and simple applications, lower fees/costs, and flexible lending structures. Loans may be approved under this program with little additional paperwork and they will close on standard Bank documents. SBA Patriot Express loans are limited to a cumulative $500,000 between all enrolled loans. TBoNM and TBoH both hold SBA's highest status for this product which allows for quick, in-house approval of most Patriot Express loan applications and servicing actions.

Size of Loan: Up to $500,000 cumulative between all Express programs

Purposes:	Max. Amort. in Yrs.
Purchase, construct, or improve real estate (>50-60% owner-occupied)	up to 25
Purchase new or used equipment, fixtures, or leaseholds	up to 10-15
Finance business acquisition, owner buyout, or start-up	varies w/ purpose
Debt refinance (loans with us, other banks', seller, L/C, etc.)	varies w/ purpose
Working capital, inventory, intangibles, start-up costs, etc.	up to 10

Eligibility: These loans are targeted to for-profit businesses owned at least 51% by veterans or other active military personnel or their spouses. In order to qualify for SBA Patriot Express loans, a business must be considered "small" by SBA's definition. Currently, that definition is:

- Tangible net worth <=$15,000,000 AND avg. net income after tax of <=$5,000,000 OR
- NAICS-based size standard if it results in a higher number (i.e. <500 employees)

While most businesses are eligible, a small number of industries and loan purposes will not qualify.
While most veteran-owned businesses are eligible, a small number will not qualify.

Guaranty %: Up to 85% for all enrolled Patriot Express loans with SBA relationships <=$150,000
Up to 75% for all enrolled Patriot Express loans with SBA relationships >$150,000

Interest Rates: Fixed or variable interest rates are available. These rates are set by the originating market using available pricing models. SBA Patriot Express loans do not balloon, however, fixed interest rates will typically adjust every 3-5 years and are priced as a spread over SBA's Fixed Base Rate published monthly. Variable rate loans will use Wall Street Journal Prime as their base rate and may adjust as frequently as daily. Competitive variable interest rates are available, however, maximums are P+4.5% if loan is > $50,000 and P+6.5% if loan is < = $50,000.

Equity: The amount of cash equity required will be determined on a loan-by-loan basis per underwriting guidelines.

Collateral: The loan will be secured by a 1st lien position on all assets financed or refinanced with SBA loan proceeds + personal guaranties of principals owning > = 20% of either the operating company or real estate holding entity (if loan purpose is real estate). Guaranties of related businesses, key man life insurance, Lessor's Agreement, etc. may also be required. Additional collateral may be required (if available with discounted equity) if discounted collateral coverage is < 100%, especially on those loans exceeding $350,000.

Prepayment: Prepayments on SBA Patriot Express loans with maturities of less than 15 years are allowed without penalty. A penalty of 5% yr. 1 ; 3% yr. 2 ; and 1% yr. 3 is charged for a prepayment of >20% of the balance on any loan with an original maturity of 15 years or greater.

Fees: SBA charges fees on the guaranteed portion equal to 2% if the loan is < = $150,000 and 3% on loans > $150,000 but < =$500,000. An ongoing servicing fee of .55% of the gtyd balance is charged to the Bank. The Bank may also charge for out-of-pocket costs in addition to a Package Preparation Fee.

Other: Appraisals, environmental studies, title insurance, and flood insurance (if applicable), are required on most real estate collateral. Business and personal financial statements and tax returns are typically required to be submitted to the Bank at least annually. A deposit relationship with us is also required. Other requirements and conditions may apply.

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