



We Make Access to Business Capital
as easy as ABC!





AMPAC IS A NON-PROFIT

Our mission is financing
and fostering business
success from cradle to
legacy



WHO WE ARE

WE ARE

A 501c3 Mission Based Lender, authorized by the U.S. Small Business Administration as a Certified Development Company (CDC), and a CDFI authorized by the U.S Department of Treasury

WE EXIST

To Uplift Communities, Strengthen Families, and Advance Entrepreneurial Dreams



WHAT WE DO

WE MAKE BUSINESS DREAMS COME TRUE!

Government Backed Loans

Government-backed and private Loans for growing businesses - projects from \$5,000 to greater than \$30,000,000

SBA Loans

SBA 504 loans for businesses purchasing or refinancing buildings, equipment, and to complete construction – over a billion dollars loaned to small businesses. Direct Loans for working capital, inventory, business acquisitions, etc. – Micro loans, State Guaranty, SBA 7a Community Advantage up to \$350,000

Direct Loans

Direct Loans for working capital, inventory, business acquisitions, etc. – AmPac has done over \$1 Billion of lending to small businesses in it's over 15 years of service to the small business community!



WHAT WE DO

Continued...

Business Advising

Business advising –
“best” fit Lending
partners and loans for
businesses

Training Programs

Ongoing training, coaching and technical assistance through the Entrepreneur Ecosystem, including 24-7 on demand training in the AmPac Mobile APP, and business accelerator programs to help businesses scale. Training programs for start-up, early start and growing businesses through AmPac’s Entrepreneur Ecosystem; classes in partnership with SCORE, SBDC, Women’s Business Center, Cal State San Bernardino Entrepreneurship Center

Ecosystem

Collaborate with organizations through its Advancing Impact Partnerships to help business clients propel their growth





WHY CHOOSE AMPAC BUSINESS CAPITAL?

We value saying “Yes”
when others have said “No”



SBA Microloan from \$5k - \$50k

- Working Capital / Start Up Capital
- FF&E, Machinery Purchase
- Minor, Cosmetic Tenant Improvements
- 7 Year Term @ 7% Fixed

Minority Small Business Loan Up To \$50k

- Designed to support underserved communities.
- 5 Year Term @ 5% Fixed
- Opportunities for Grant Capital & Interest Rate Reduction for on time payments.
- Required Technical Assistance to maximize business owners' potential.



VISION

MISSION

VALUES

STRATEGY

SBA 7a Community Advantage Up To \$350k

- Mission-based lender program, more flexible lending criteria
- Terms: 10 years / 25 years for real estate
 - Adjustable rate of Prime + 3% - 4.5%
- Loan Purpose:
 - Working Capital / Start-up
 - Debt Refinance
 - Equipment / FF&E
 - Inventory
 - Business Purchase / Partner Buyout



SBA Ineligible Businesses

- Not-for-profit entities
- Business engaged in lending (except those engaged in loan servicing, brokerage, not holding loans longer than 14 days)
- Passive Businesses such as apartments and mobile home parks, shopping centers that are not actively used or occupied by the owner. (Hotels/Motels, RV Campgrounds, Self-storage facilities, marinas, licensed assisted living / nursing homes may be eligible)
- Businesses located in a foreign country
- Businesses owned by foreign entity or individual. Must be 51% or more owned by US Citizen(s) and / or Lawful Permanent Resident(s)
- Businesses engaged in gambling (businesses that obtain 1/3 or less of their annual gross income from State lottery sales are eligible)
- Marijuana related businesses – Direct or Indirect not eligible. Hemp products may be eligible.
- Businesses engaged in any activity that is illegal under Federal, State or Local Law
- Businesses that restrict patronage for reasons other than capacity, or have discriminatory hiring practices
- Businesses providing prurient or sexual materials.
- Speculative Businesses – Developers, Multi-level marketing
- Businesses that have a prior loss to government, i.e. default on any SBA or other Federal debt.
Businesses with an applicant that is currently incarcerated, serving a sentence of imprisonment, or is under indictment for a felony, or any crime involving financial misconduct



Financing Options for Purchasing / Refinancing

Conventional Bank Loan

- 20% to 50% Down Payment / Equity
- Loan amount limited to lender's limit and policy
- Construction / Improvements may be allowed (depending on lender)
- Fixed and variable rates available
- Property types may be limited
- May require additional collateral
- Cash out on refinance may be limited

SBA Loan

- 10% to 20% Down Payment
- SBA Loan limited to \$5 million*
- Construction / Improvements typically allowed
- Fixed or variable, depending on program
- Wide variety of owner-user property types are eligible
- May require additional collateral
- Projected Cash Flow typically allowed
- Cash out options on refinance



SBA Loan Program Options

SBA 504 Program

- Limited to fixed assets only: real estate, improvements & long life equipment
- Two loans: Bank 1st TD & SBA 2nd TD
- Typically 10% down (special use or start-up require 5% add'l)
- Typically no additional collateral needed
- SBA 2nd up to \$5M for standard 504; or up to \$5.5M per project for manufacturers or “Green” projects, no cap on the aggregate of 504 2nd TD's
- No limit on Bank 1st TD – Projects of \$25M+
- Low fixed rates for 10, 20 or 25 years
- SBA Administrative Fees are financed in SBA 2nd
- 10 year pre-payment penalty
- Borrower's equity contribution may be from borrowed funds

SBA 7a Loan

- Multiple uses: real estate, improvements, equipment, business acquisition, working capital, partner buyout
- One loan from bank, 75% is SBA guaranteed
- 10% with add'l collateral such as lien on primary residence / 15%+ without add'l collateral. (special use or start-up require 5% add'l)
- Maximum 7a financing is \$5M
- Typical term is 10 years / 25 years for real estate
- Rates are typically variable, some lenders offer fixed
- SBA fees typically paid out of pocket
- 3 year pre-payment penalty on loans over 15 yrs
- Borrower's equity contribution typically not to be from borrowed funds.



WHY SBA 504?

- Low borrower down payment = business and owner retains capital
- Long –term fixed rates: 25 year, 20 year, 10 year fixed rates typically below market on SBA 2nd TD
- All SBA administrative fees are financed in the loan
- SBA 504 typically does not require additional collateral beyond what is being financed
- Mitigates risk to bank as bank is in 50% 1st lien position, allowing banks to lend on projects they may not consider with a conventional loan
- 504 Green Projects and U.S. owned and based manufacturers are able to finance multiple projects with 2nd TD up to \$5.5 million per project
- 504 Program is a job creation program supporting business growth and owner wealth creation



SBA 504 Loan: Fixed Assets

A 504 loan can be used for:

- Purchase, Construct, Renovate owner-user commercial real estate
- Purchase Machinery & Equipment (useful life of 10 yrs+; no vehicles)
- 504 Debt Refinance, can include cash out for operating expenses
- 504 Debt Refinance with Expansion
- Financing up to 90%

A 504 loan cannot be used for:

- Working capital or inventory
- Business acquisition
- Speculation or investment in rental real estate



SBA 504: Loan Structure

The 504 loan is a partnership loan. The parties are:

- Bank, credit union, or a participating SBA lender
- SBA / CDC
- Borrower

The typical loan structure is:

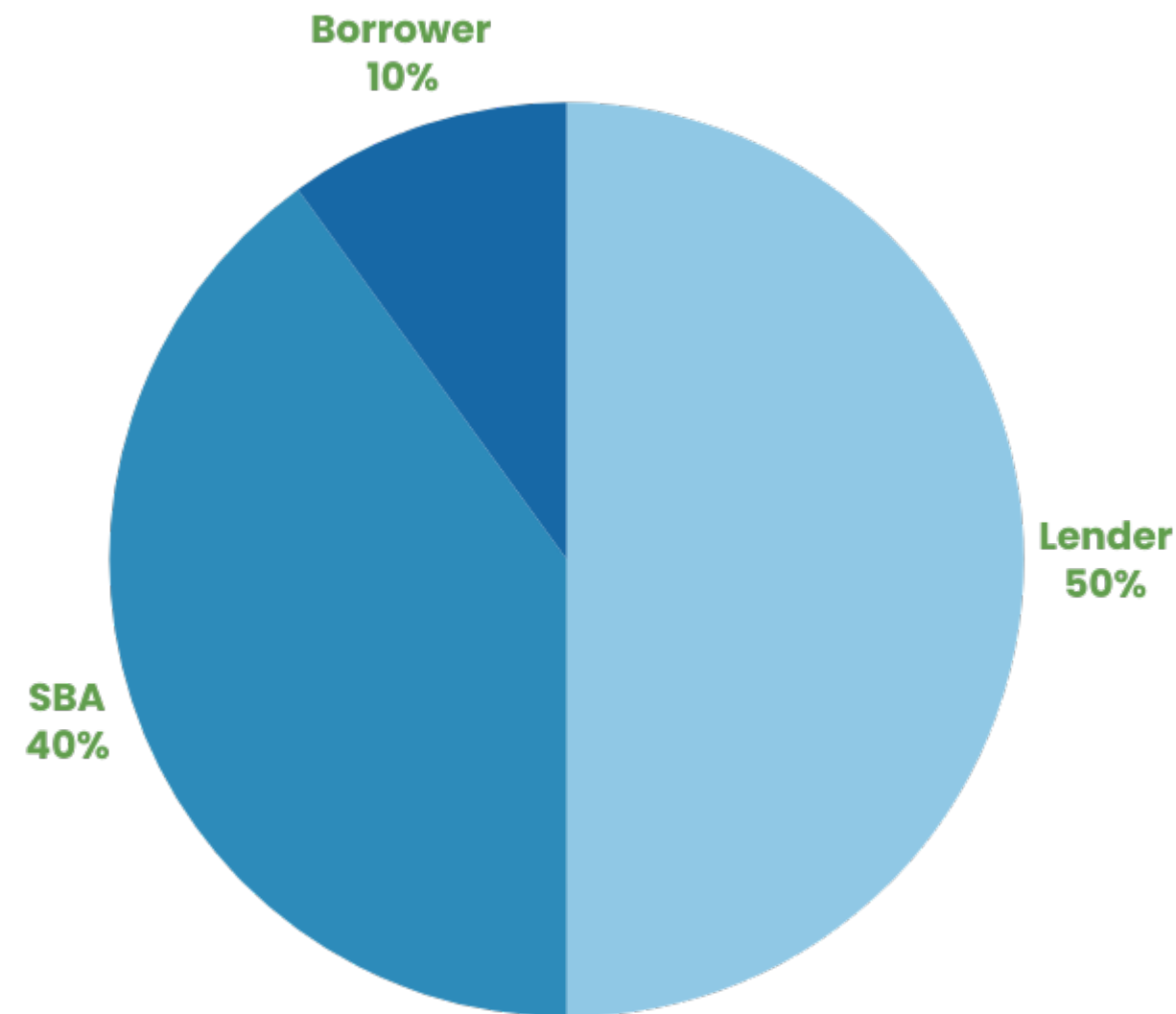
- Bank 1st TD 50% of Project Costs (may be higher)
- SBA/CDC 2nd TD no more than 40% of Project Costs
- Borrower contributes minimum 10% of project costs

Benefits: Low down payment, Low fixed rates:

- 25 year fixed = 6.03% October 2024
- 20 year fixed = 6.14% October 2024



SBA 504 LOAN: Fixed Assets



Structure of a Typical \$10 Million 504 Loan

Conventional Loan (1 st) 50%:	\$5,000,000.00
SBA 504 Loan* (2 nd) 40%:	\$4,000,000.00
Owner Down Payment 10%:	\$1,000,000.00
	<hr/>
	\$10,000,000.00

*SBA 2nd Mortgage Maximum

- \$5.0 million for most projects
- \$5.5 million per project for manufacturing projects
- \$5.5 million per project when “504 Green” initiatives are met

SBA 504: Basics

- Owner-user is defined as occupied by owner's business a minimum 51% of rentable SF, allowing up to 49% to be rented for additional income.
- For ground up construction, owner must occupy minimum 60% with a goal to occupy 80% within 10 years.
- SBA 504 may also be used to finance longer life machinery and equipment – useful life of 10 years or greater (no trucks, vehicles or aircraft)
- May finance up to 90% of purchase price and eligible costs
- Additional 5% borrower injection for special use properties & start-ups:
 - Start-up defined as operating less than 2 years



SBA 504: Property Types

Standard Eligible Properties, include:

- Office, medical/dental office, warehouse, manufacturing, retail, restaurant, pre-schools/daycare, self-storage, trucking or contractor yards, auto repair (no pits or in-ground lifts)

Eligible Special Use Properties (require additional 5% down) include:

- Gas stations, car washes, wineries, hotels/motels, hospitals, surgery centers, urgent cares, assisted living/nursing home, farms, golf courses, auto repair with pits or in-ground lifts



SBA 504: What is a “Small” Business?

What is a “Small Business”?

SBA Alternative Size Standard (increased 2024)

- Tangible net worth of \$20 million* or less
- Annual net income, after taxes, of \$6.5 million* or less, average prior 2 years (no maximum on gross revenue)

*increase by 25% if the subject property is located within a Labor Surplus Area



Public Policy Goals for Expanded 504 Funding

A Business and its affiliates may obtain 504 Green 2nd TD's up to \$5.5 million per project, with no cap on the aggregate, plus \$5 million in standard 504.

504 “Green” loans must meet the SBA’s Eligible Energy Public Policy Goal of:

- Reduction of 10% in Energy Use. Only available for relocation, renovation or replacement properties.
OR
- Generation of more than 15% of energy used onsite through renewable energy systems such as solar, wind, or other types. Available for all project types including start-ups.

A way to increase the \$5 Million Borrower Cap on 504's only. Does not increase borrowing cap on 7a.

- Total Cap: Increased beyond \$5 million
- Per-Project Cap: Increased to \$5.5 million (gross debenture)
- Does not count against the traditional loan cap of \$5 million (504 only)

“Going Green” on a first project preserves traditional eligibility for future standard 504 loans.

Manufacturers are eligible for additional 504 debenture up to \$5.5 million per project:

- Must be in NAICS code sectors 31, 32, or 33, and
- All production facilities must be located in the U.S.
- No cap on aggregate, but must meet definition of ‘small business’ size standards



DOWN PAYMENT ASSISTANCE/ LIQUIDITY REPLACEMENT PROGRAM FOR UNDERSERVED ENTREPRENEURS

Assistance for woman-owned, Black or Latino owned businesses seeking to purchase their business property with the SBA 504 loan or Community Advantage 7a through AmPac Business Capital

Assistance up to one-half of the required down payment, up to \$100,000

AmPac Business Capital exclusive program

It is Possible!

OWNER-OCCUPIED PROPERTY FINANCING JUST GOT **EASIER**



**CONTACT A
BUSINESS
CHAMPION**

IT IS POSSIBLE!

DOWN PAYMENT ASSISTANCE (DPA)/ LIQUIDITY REPLACEMENT PROGRAM

The purpose of this exclusive program is to provide down payment assistance/liquidity replacement to women, black and Latino led businesses in conjunction with AmPac's social impact investment partner who is committed to creating economic parity and wealth creation in the targeted communities. The program seeks to make owner-occupied commercial real estate ownership possible using the SBA 504 or 7a loans.

BENEFITS

- Up to half of the down payment, not to exceed \$100,000
- No payment for first 12 months of DPA loan *
- Fixed interest repayment, 5 year term and 10 year amortization

TO QUALIFY

- Utilize the SBA 504 or Community Advantage loan program offered by AmPac to finance the purchase of commercial real estate only
- Be a member of the targeted communities and own 51% of the business
- Meet SBA cash flow requirements on a historical or projected basis

For more information on this exciting NEW AmPac program to promote business stability and economic development through commercial real estate ownership for small businesses, contact an AmPac Business Champion today!

* Interest payments will accrue and first payment will be month 13

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1ST TIME COMMERCIAL REALESTATE BUYER PROGRAM

Assistance for business owners purchasing their first commercial property for their business with the SBA 504 or 7a loan program through AmPac Business Capital

Assistance up to one-half of the required down payment, up to \$100,000

AmPac Business Capital exclusive program

It is Possible!

ARE YOU READY TO **OWN**
YOUR BUSINESS PROPERTY?



**CONTACT A
BUSINESS
CHAMPION**

**INTRODUCING AMPAC BUSINESS CAPITAL'S
1ST TIME COMMERCIAL REAL
ESTATE BUYER PROGRAM**

DOWN PAYMENT ASSISTANCE/LIQUIDITY REPLACEMENT

This program is designed to assist small business owners in buying their first commercial real estate property for their business with financing via the SBA 504 or 7a loan program. Their business must occupy 51% of the property.

BENEFITS

- Up to half of the down payment, not to exceed \$100,000
- Fixed interest repayment, 5 year term and 10 year amortization

TO QUALIFY

- Must be first commercial real estate property owned by the business
- Must demonstrate need for liquidity replacement (have less than six months of operating expenses liquidity after the down payment) OR
- Property must be in a low-moderate income community, HUBZone, Opportunity Zone or Persistent Property area verified by Census Data

For more information on this exciting NEW AmPac program to promote business stability and economic development through commercial real estate ownership for small businesses, contact an AmPac Business Champion today!

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SBA 504 – Law Firm Moves From Tenant to Owner With AmPac Down Payment Assistance

A woman-owned immigration law firm purchased their first building, moving from a leased location:

- Total Cost: \$832,000
- ❖ SBA 504 provided 90% financing for the real estate:
 - Bank 1st TD @ 50% \$416,000
 - SBA 2nd TD @ 40% \$346,000 – 25 year fixed rate 6.64%
- ❖ AmPac provided a Down Payment assistance loan for \$41,600, replenishing liquidity for working capital. Terms are 5% fixed rate over 10 years, due in 5 years. No payment until 13th month.
- ❖ for SBA 504 loan allowed them to grow from 570 SF to now 3300 SF, providing them the space to create 2 new jobs.



Why SBA 504 Debt Refinance?

- SBA 504 Debt Refinance provides an opportunity for a business owner to refinance commercial real estate secured debt that has been in place at least 6 months, including adjustable high-rate SBA 7a loans, providing stability of a fixed rate payment
- SBA 504 Refinance allows businesses to take cash out equity for business operating expenses, pay off/down business lines of credit or business credit cards, or other debt secured by the same collateral and used for the benefit of the business.
- SBA 504 Refinance provides LTV up to 90%
- SBA 504 Refinance provides a blended rate (Bank and SBA) that is often less than a conventional loan or a variable rate SBA 7a loan
- SBA 504 Refinance may allow for the release of additional collateral taken on the current financing, such as a lien on owner's primary residence and UCC filings that 7a loans may have required
- The right partner like AMPAC can help you provide the right structure for SBA 504 Debt Refinance.



7a Refinance – Construction Loan of Car Wash

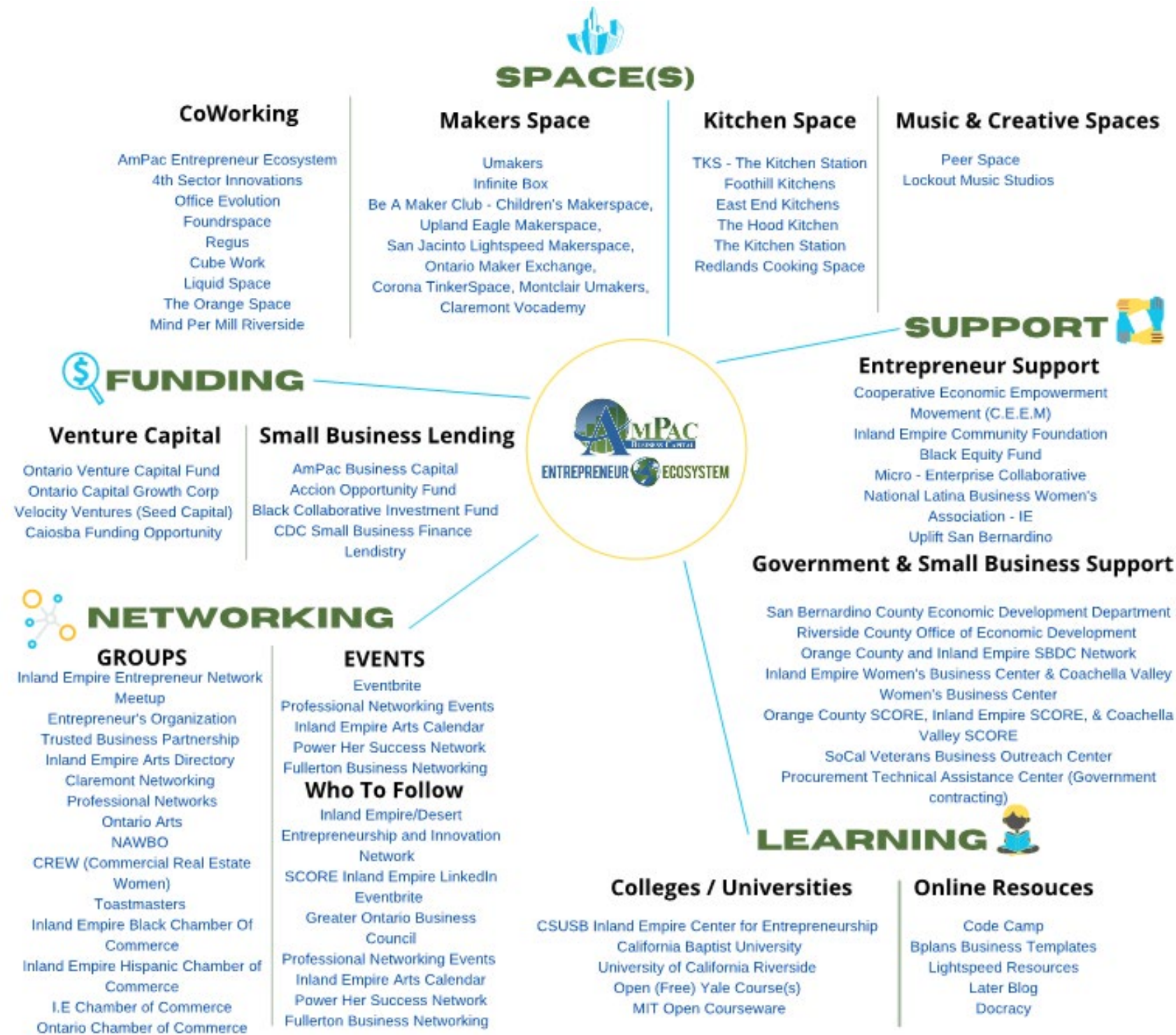
REQUEST: Refinance 7a loan used for ground up construction and equipment of car wash



- Land was purchased in 2002 for \$400,000 with cash; remained vacant with no prior financing
- Obtained an SBA 7a loan for the construction of the car wash property & equipment in 2019
- Business had been operating and generating revenue for more than 24 months at time of 504 application
- 7a loan was adjustable rate of Prime + 2%, 10.5% at time of application.
- Refinance resulted in a reduction of the monthly payment by \$6740, a nearly 20% savings.

The Entrepreneur Ecosystem

Your Business Growth Resource Hub Community





ENTREPRENEUR ECOSYSTEM

COMMITTED TO TRAINING AND DEVELOPING ENTREPRENEURS

DOWNLOAD OUR APP

Empowering Entrepreneurs – Your Success Starts Here!

DOWNLOAD NOW

Available on Apple IOS and Google Play Store or scan the QR Code:



Events | Capital Solutions | Networking | Mentorship



The app interface shows a dashboard with a total community lending impact of \$6.5M, a section for 'DOWN PAYMENT ASSISTANCE IMPACT' with a \$13M goal, and a 'FINANCING UNDERSERVED COMMUNITIES' bar chart showing progress for various groups. The bottom of the app displays the AMPAC logo and the tagline 'EMPOWERING SMALL BUSINESS'.

AMPAC BUSINESS CAPITAL: SERVING CALIFORNIA & NEVADA

WWW.AMPAC.COM

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It is Possible!

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