

# What is an SBA 504 loan?

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The [SBA 504 loan](#) is guaranteed by the [SBA](#) (Small Business Association) and is specifically engineered to help small businesses get bigger. Think of it as a SBA 7(a) loan, only optimized around real estate. So if you need to buy land, upgrade your equipment, renovate your office, or build a new facility entirely, an SBA 504 could be just the ticket. Given its penchant for helping companies blossom, the SBA 504 loan is also referred to as a Certified Development Company (CDC) loan.

To get one, you've got to have a solid [business plan](#). In other words, you can't skate by with a simple "we think it would be awesome to open a new office closer to the Topgolf in our city." You'll need to show how your plan relates to your business, and how your expertise will make it actually happen. Additional requirements include your business having a tangible net worth under \$7.5 million and an average net income below \$2.5 million.

As for the terms and amount of your SBA 504, that depends on how you plan to use it. For example, if you're seeking the loan for land or buildings, plan on loan terms of 20 years. If it's for equipment or machinery, on the other hand, you're looking at a 10-year term.

Applying for an SBA 504 can be surprisingly easy, and you can [see your options](#) in just minutes. Our experts are standing by to help walk you through the process and answer any questions you might have.

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