

FEES FOR 504 LOAN PROGRAM

1. *Processing Fees.* The processing fees compensate each service provider in the 504 process, which includes the BFC, SBA, underwriters and fiscal agents. Processing fees are one-time-only fees, and are equal to approximately 2.875% of the 504 loan. Processing fees will be added to the amount borrowed. A \$1,000 deposit is due when the application is submitted. The \$1,000 is refunded if the application is not approved.

2. *Guarantee and Servicing Fees.* Monthly guarantee and servicing fees are added to the note rate. They are paid over the life of the loan and are automatically added to the monthly payment. Your BFC representative can update you on the most recent monthly guarantee and servicing fee information.

3. *Closing Fee.* The borrower is responsible for the closing fees, recording fees, and title fees associated with closing the 504 loan. Contact BFC staff for additional details.

4. *Bank Participation Fee.* This is equal to one-half of 1% of any mortgages that are senior to the SBA guaranteed mortgage and is paid by the participating bank at the BFC closing.

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