



BOOST Q&A

1. **Q** - What is the main difference between BOOST and SBA 504 loan programs?
A - The BOOST loan program is an alternative to the 504 program and has fewer eligibility requirements. Also, BOOST is provided by St. Louis County Economic Council, whereas the 504 loan is provided by the U.S. Small Business Administration (SBA).
2. **Q** – Why would a business consider using the BOOST program over the SBA 504 program?
A – There are two main reasons:
 1. BOOST offers the option of a floating or fixed interest rate. The floating rate loan does not have any prepayment penalties; and
 2. There are fewer eligibility restrictions with BOOST; for example, there are no net worth, income size limits or personal liquidity limits, unlike the SBA program.
3. **Q** – Is the loan structure for BOOST the same as the SBA 504 loan program?
A – BOOST’s loan structure is exactly the same as SBA 504 loan program, which is typically 50 percent bank, 40 percent BOOST and 10 percent equity injection.
4. **Q** – Is the rate used for the BOOST program the same as the SBA 504 loan program?
A – No, with BOOST, the borrower can choose either a variable or five-year fixed rate. The 504 offers a 10-year or 20-year fixed rate.
5. **Q** – Does BOOST have a job creation requirement like the SBA 504 loan program?
A – BOOST has the same job creation/retention requirements as the 504 loan program, which is one job per \$65,000 (non-manufacturer) or \$100,000 (manufacturer) of the BOOST portion of the loan. Similar to the SBA 504 loan program, job creation may not be required if other economic development criteria can be met.

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