

Criteria	SBA 504	SBA 7(a)	Conventional	CMBS	Bridge Loan
Type of Ownerships Allowed	Owner-occupied only	Owner-occupied only	Owner-occupied or investor	Investor or owner-occupied	Owner-occupied or investor
Use of Proceeds Allowed	Acquisition Construction Renovation / Expansion Major Equipment	Acquisition Working Capital Refinance Major Equipment	Acquisition Refinance Renovation / Expansion	Acquisition Refinance	Acquisition Repositioning Short-term Refinance
Maximum Loan Amount	\$5M (CDC portion) No formal max on bank portion	\$5M	No formal limit	Typically \$2M to \$100M+	Varies widely, often \$1M+
LTV/LTC	Up to 90%	Up to 85-90%	Up to 65-75%	Up to 75%	Up to 75-80%
Interest Rate Type	Fixed (CDC portion) Variable (bank portion)	Variable or fixed	Fixed or variable	Fixed	Variable
Term	10-25 years	Up to 25 years	5-20 years	5-10 years	6-36 months
Amortization	Typically 20-25 years	Up to 25 years	15-25 years	25-30 years	Interest-only
Full Recourse	Partial (bank portion may be full)	Yes	Yes	Non-recourse	Yes
Prepayment Penalty	Yes, declining over time	Yes, typically declining	Yes, often steep	Yes, yield maintenance or defeasance	Often none or minimal
Speed to Close / Approval Timeline	60-90 days	30-60 days	45-60 days	60-90 days	15-30 days
Assumability / Transferability	No	No	Rarely	Yes	Rarely
Pros	Low down payment Long terms Fixed rates Good for expansion Government-backed	Flexible use Lower equity required Government-backed Good for small hotels Easier qualification	Widely available Flexible terms Larger loans Competitive rates No SBA restrictions	Non-recourse Fixed rates Large loan sizes Transferable Competitive pricing	Fast funding Flexible terms Useful for turnaround Higher leverage Short-term solution
Cons	Slow approval Limited to owner-occupied Complex structure CDC involvement Limited flexibility	Personal guarantee required Slower process Limited size Variable rates Owner-occupied only	Higher equity required Full recourse Stricter underwriting Prepayment penalties Less favorable for startups	Complex structure Strict underwriting Prepayment penalties Limited flexibility Servicing challenges	High interest rates Short term Full recourse Exit strategy needed Not for long-term hold