

Prepayment Process

When a borrower chooses to prepay their SBA 504 loan in full, prior to its maturity date, the following process takes place.

- Notify MBFC of intention to prepay at least 30 days prior to anticipated prepayment date.
- SBA 504 loans are scheduled for payoff on the 3rd Thursday of the month before the borrowers semi-annual (debt service) payment date.
- MBFC will request and then forward to borrower a Prepayment Estimate.
- Borrower must notify MBFC at least 15 calendar days prior to selected prepayment date.
- Borrower must provide a good faith deposit of \$1,000.00, which will be deducted from the prepayment amount, at least 10 business days prior to selected prepayment date.
- Final prepayment amount and wire instructions will be communicated to the borrower 3-5 days prior to selected prepayment date.
- Release documents will be sent to borrower 2-3 weeks after prepayment.

MBFC and SBA, in an effort to assist the borrower, may consider alternatives to prepayment, including:

- Sale and assumption
- Substitution of collateral