Loan Comparison: Conventional vs SBA vs Seller Financing

Three ways to finance a campground. The right one depends on the deal, the park, and you.

Conventional Bank Loan

Down payment: about 30%
Rate: market rate
Term: 20-25 yr amortization, often a 5-10 yr balloon
Speed: moderate
Best for: strong buyers and parks with clean books
Watch-outs: wants first lien position and a DSCR of 1.25+

SBA Loan (7a and 504)

Down payment: 10-30%
Rate: variable (7a) or fixed (504)
Term: up to 25 yr on real estate
Speed: slower, more documentation
Best for: owner-operators with experience
Watch-outs: 50% short-term revenue rule; seller notes used for the down payment go on full standby

Seller Financing

Down payment: 20-40%
Rate: typically 5-7%
Term: 3-10 yr balloon, 20-25 yr amortization
Speed: fast
Best for: when a seller is willing to carry
Watch-outs: built on trust; you still need your own working capital