

SBA LOAN PROGRAMS

Call the SBA Richmond District Office at (804) 771-2400 for additional information on any of these loan programs. (Effective August, 2008)

FINANCE PROGRAMS	7(A) LOAN PROGRAM	SBAExpress And Patriot Express (PTX)	Community Express	CERTIFIED DEVELOPMENT COMPANY LOANS (504)
WHO CAN APPLY	For profit businesses that qualify as small under SBA size standards and cannot borrow on reasonable terms from commercial lenders without government help.	<u>SBAExp</u> : Same as 7(A) Loan <u>PTX</u> : Veterans; Active-duty service members eligible for the military's TAP; Reservists & National Guard members; Current spouses; Widowed spouses of service member or veteran who died during service or service-connected disability .	Same as Regular 7(A) but must be: located in a "low or moderate income" urban or rural area, or -Owned by a minority, woman, or veteran.	Same as Regular 7(A) except: size standard is normally higher Maximum net worth of \$8.5 million Maximum Avg. Net Profit ≤ \$3.0 million
PURPOSE	Fixed assets, working capital, finance start-ups or buy an existing business; some debt payment allowed including lines of credit	Same as Regular 7(A)	Same as Regular 7(A)	Fixed assets only – No working capital and No debt refinancing
MAXIMUM PERCENTAGE OF SBA GUARANTY	85% on loans of \$150,000 or less 75% on loans over \$150,000	<u>SBAExp</u> : 50% of loan <u>PTX</u> : Same as Regular 7(A) ExportExpress uses Regular 7(a) guaranty percentages.	85% of loans of \$150,000 or less. Loans over \$150,000 receive a 75% guaranty.	SBA guarantees 100% of the debenture amount which generally ranges from 30-40% of the project.
MAXIMUM LOAN AMOUNT	\$2 Million	SBAExp: \$350,000 PatriotExp: \$500,000 ExportExp: \$250,000	\$250,000	CDC/504 Portion limited to: \$1.5 Million for most projects \$2 Million for Public Policy projects \$4 Million for small manufacturers
MATURITY	5 to 7 years for working capital 25 years max. for real estate. Maximum: Useful life for M&E 10 years for all other loan purposes	Same as Regular 7(a) except that lines of credit must be repaid within 7 years.	Same as Regular 7(a) except that lines of credit must be repaid within 7 years.	10 years for equipment 20 years for real estate.
MAXIMUM INTEREST RATES	Loans less than 7 years: Prime plus 2.25%. Loans 7 years or longer: Prime plus 2.75%; plus a maximum additional rate of 1% if the loan is less than \$50,000 and 2% if less than \$25,000.	<u>SBAExp</u> : Bank's prime rate plus 6.5% for loans of \$50,000 or less; Bank's prime rate plus 4.5% for larger loans. <u>PTX</u> : Same as Regular 7(A)	Same as 7(a)	Based on current market rate for 5 and 10 year Treasury Bonds
SBA Guaranty FEES - Always based on SBA guaranteed portion (GP)	Up to \$150,000 Loan: 2% of GP \$150,001- \$700,000 Loan: 3.0% of GP \$700,000+: 3.5% on GP Add 0.25% on GP over \$1 million Lines of Credit less than 1 year: ¼ %	Up to \$150,000: 2% of GP; Over \$150,000: 3% of GP; 1/4% on lines of credit up to one year.	Up to \$150,000: 2% of GP; Over \$150,000: 3% of GP.; 1/4% on lines of credit up to one year.	On the SBA/504 Portion ONLY: Up front fees of about 2.25% of the net debenture proceeds plus annual servicing & guaranty fees of 0.92% of outstanding 504 balance.
SPECIAL FEATURES AND/OR REQUIREMENTS	SBA generally requires that the owner(s) inject 1/4 to 1/3 of the total assets needed to launch a new business.	No SBA application required. Loan credit authority delegated to the bank.	No SBA application required. Bank has delegated authority. Program provides Technical Assistance as needed for marketing, financial, management and planning assistance.	Must create or retain 1 job for every \$50,000 of 504 loan amount <u>or</u> Meet 1 of 14 Community/Public Policy Goals. Minimum down payment of 10% is required. ADD 5% for startup and/or special use asset.