

Quick Reference To SBA Loan Guaranty Programs

Program	Maximum Loan Amount	Percent of Guaranty	Use of Proceeds	Maturity	Maximum Interest Rates	Guaranty Fees	Who Qualifies	Benefits to Borrower
7(a) Loans								
Regular 7(a): SBA approves PLP: Lender approves	\$2 million gross (\$1.5 million guaranty)	Maximum guaranty of 75% up to \$1.5 mil; 85% if gross loan is \$150,000 or less	Expansion/renovation; new construction, purchase land or bldgs; purchase equipment, fixtures, leasehold improvements; working capital; refinance debt for compelling reasons; seasonal line of credit, inventory	Depends on ability to repay. Generally working capital & machinery & equipment (not to exceed life of equipment) is 5-10 years; real estate, construction, up to 25 yrs	Loan 7 years or less: max. prime +2.25%; over 7 years: prime +2.75%; under \$50,000, rates can be higher by 2% for loans of \$25,000 or less; and 1% for loans between \$25,000 and \$50,000. Prepayment penalty for loans with maturities of 15 years or more if prepaid during 1 st 3 yrs	(Fee charged on guaranteed portion of loan only.) Maturity 1 year or less 0.25% guaranty fee; over 1 year: \$150,000 (gross amount) or less = 2%; \$150,001 - \$700,000 = 3%; over \$700,000 = 3.5%. 3.75% on guar. portion over \$1 mil. Ongoing fee of 0.494%	Must be for profit and meet SBA size standards; show good character, credit, management, and ability to repay. Must be an eligible type of business	Long-term financing; improved cash flow; fixed maturity; no balloons; no prepayment penalty (under 15 yrs)
SBA Express: Lender approves Minimal SBA paperwork	\$350,000	50%	May be used for revolving lines of credit (up to 7 year maturity) or for a term loan (same as 7(a))	See 7(a)	Loans \$50,000 or less prime + 6.5%; \$50,000 + Prime + 4.5%	See 7(a)	See 7(a)	Faster turnaround; streamlined process; easy-to-use line of credit
Community Express: Same as Reg. 7(a) but must be located in a low or moderate income urban or rural area, or owned by a minority, woman or veteran	\$250,000	85% on loans of \$150,000 or less. Loans over \$150,000 receive a 75% guaranty	See 7(a)	See 7(a)	Same as SBA Express	2% on guaranteed portion of loans up to \$150,000; 3% on the guaranteed portion of loans more than \$150,000. ¼% for lines of credit up to one year	No SBA application required. Bank has delegated authority. Program provides technical assistance as needed for marketing, financial, management and planning assistance	Lender uses own forms; streamlined process; no collateral required for loans up to \$25,000; designed for smaller loans; technical assistance provided
Patriot Express: Lender approves loan Minimal additional SBA paperwork	\$500,000	Maximum guaranty of 75% up to \$375,000; 85% if gross loan is \$150,000 or less	Same as SBA Express	See 7(a)	Same as Regular 7(a)	See 7(a)	See 7(a). In addition, small business must be owned and controlled by one or more of the following groups: veteran, active duty military, reservist or National	Lower rate maximums than other SBA Express programs; less paperwork; fast turnaround; expanded eligibility; electronic application

							Guard member or a spouse of any of these groups, or a widowed spouse of a service member or veteran who died during service or of a service-connected disability	
http://www.sba.gov/services/financialassistance/7alenderprograms/pe/index.html								
CAPLines: Short-term/revolving lines of credit; Seasonal contract Builders standard/ Small asset based	\$2 million (small asset based limited to \$200,000)	75% if more than \$150,000; 85% if total loan is \$150,000 or less	Finance seasonal working capital needs; cost to perform; construction costs, advances against existing inventory and receivables, consolidation of short-term debts	Up to 5 years	Same as 7(a) except the Standard Asset-based no fee restriction, but fee disclosure to SBA required	See 7(a)	See 7(a) Existing business	Funds short-term working capital; various lines of credit; allows business to obtain contracts; larger in size for business growth; can be used to create current assets; can be used to finance existing current assets
International Trade	\$2 million (separate working capital loan plus IT loan together may have \$1.75 million combined guaranty)	75% if more than \$150,000; 85% if total loan is \$150,000 or less	IT loan must be used only for the acquisition of long-term, fixed assets. A separate working capital loan may be used for working capital needs associated w/international trade	Up to 25 years	See 7(a)	No cap	Small businesses (see 7(a) for qualifications) engaged/preparing to engage in international trade/adversely affected by competition from imports	Long-term financing for land and building where assets are used to produce products sold
Export Working Capital Program : 1 page application, fast turnaround, may apply for prequalification letter	\$2 million (may be combined with International Trade loan)	90% up to \$1.5 million maximum guaranty	Short-term working capital loans for exporters	Matched single transaction cycle or generally 1 year for line of credit	No cap	See 7(a)	Small businesses (see 7(a) for other qualifications), those who need short-term working capital	Short-term working capital for export needs; inexpensive minimum guaranty fee ¼ of 1%; revolving or transaction based; allows specific financing for exporting without disrupting domestic financing and business plan

Non-7(a) Loans								
Microloans : Loans through nonprofit lending organizations ; technical assistance also provided	\$35,000 (total loan amount to small business borrower)	Not applicable	Purchase machinery & equipment, fixtures, leasehold improvements; finance increased receivables; working capital. Cannot be used to repay existing debt	Shortest term possible, not to exceed 6 years	Negotiable with intermediary. Subject to either 7.75 or 8.5% above intermediary cost of funds	No guaranty fee	Same as 7(a)	Direct loans from nonprofit intermediary lenders; fixed-rate financing; very small loan amounts; technical assistance available
504 Loans : Provided through Certified Development Companies (CDCs) which are licensed by SBA	504 loan maximum amount ranges from \$1.5 million to \$4 million depending on project	Project costs financed by: 504 loan: up to 40% Lender: 50% Equity: 10-20%	Long-term fixed-asset loans; lender (non-guaranteed) financing secured by first lien on project assets. 504 loan provided from SBA 100% guaranteed debenture sold to investors at fixed rate secured by 2 nd lien	504 loan: 10- or 20-year term. Lender (unguaranteed) financing may have a shorter term	Fixed rate on 504 loan established when debenture backing loan is sold. Declining prepayment penalty for ½ of term	0.5% upfront fee to SBA on the first mortgage amount. Ongoing guaranty fee on 504 loan (FY 2008) is 0.021% of principal O/S. On-going fee % does not change during term	For-profit businesses that do not exceed \$7.5 million in tangible net worth and do not have average net income over \$2.5 million for past 2 years	Fees under 3%; long-term fixed rate; low down payment; full amortization: no balloons

U.S. Small Business Administration

Information current as of October 2007

SBA programs and services are provided on a nondiscriminatory basis.