

QUICK REFERENCE TO SBA LOAN PROGRAMS

Programs	Max. Amount Guaranteed	Percentage of Guarantee (Max)	Use of Proceeds	Maturity	Maximum Interest Rates	Guarantee Fees	Who Qualifies
7(a) Loan Guaranty Program The SBA's Primary loan program	\$1,500,000 (SBA's share); maximum total loan \$2,000,000	75% (85% if loan is \$150,000 or less)	Expansion or renovation; construction of new facility; purchase land or buildings; purchase equipment, fixtures, leasehold improvements, working capital; refinance debt, inventory	Depends on ability to repay; generally working capital is 5 to 7 years; generally machinery/equipment is up to 10 years (not to exceed useful life of equipment), real estate, construction, up to 25 years	Negotiable with lender; loans under 7 years, max (prime or 3% over 30 day LIBOR) +2.25%; 7 years or more, max prime +2.75%; under 50,000, higher rates are allowed	Paid by lender (they may be reimbursed) Based on maturity and size of the loan; 1 year or less, 0.25%; over 1 year, total loan \$150,000 or less - 2% (lender retains 25% of fee), over \$150,000 to \$700,000 - 3%, over \$700,000 - 3.5%. Additional 0.25% fee for portion of the loan over \$1 million SBA's share	Must be operated for profit; meet SBA size standards; show good character, management expertise and commitment, and ability to repay; may not be involved in speculation or investment in rental real estate.
504 Certified Development Company Loan Program Long-term, fixed-asset loans through nonprofit development companies; generally must create or retain 1 job per \$50,000 of debenture proceeds. Small manufacturers require only 1 job per \$100,000 of debenture proceeds.	Limit on SBA portion of project is generally \$1.5 million; in some cases SBA share may reach \$2 million. \$4 million limit for loans to a manufacturer	Not applicable; SBA supports up to 40% of project. Other financing is independent of SBA	Purchase of major fixed assets such as land, buildings, improvements, long-term equipment, construction, renovation	Generally 20 years	Not applicable SBA share is below market, fixed rate financing	Fees related to debenture, approximately 2-1/2%	For-profit businesses that do not exceed \$7 million in tangible net worth and do not have average net income over \$2.5 Million for past 2 years
SBAExpress Lender approves loan, No additional SBA paperwork; limited participants	\$350,000 (Total loan amount)	50%	Same as 7(a); except participant debt restructure cannot exceed 50% of project. Also, may be used for <u>revolving credits</u>	Term loans same as 7(a); no more than 7 years on revolving line of credit	Negotiable with lender; loans up to \$50,000, max - prime +6.5%; over \$50,000, max - prime +4.5%	See 7(a)	See 7(a)
Community Express Lender approves loan, No additional SBA paperwork; limited participants	\$250,000 (Total loan amount)	75% (85% if loan is \$150,000 or less)	Same as 7(a); except participant debt restructure cannot exceed 15-25% of project. Also, may be used for <u>revolving credits</u>	Term loans same as 7(a); no more than 7 years on revolving line of credit	See 7(a)	See 7(a)	See 7(a); for loans over \$25,000 business must be located in a low or moderate income area, HubZone or distressed area.
Patriot Express Lender approves loan, No additional SBA paperwork; limited participants	\$500,000 (Total loan amount)	75% (85% if loan is \$150,000 or less)	Same as 7(a); except participant debt restructure cannot exceed 15-25% of project. Also, may be used for <u>revolving credits</u>	Term loans same as 7(a); no more than 7 years on revolving line of credit	See 7(a)	See 7(a)	See 7(a); business owned by veteran, reservist, National Guard member, spouse of above or widow of a service member who died during service or from a service-connected disability
Rural/Small Lender Advantage Shorter, simplified application for smaller loans. Expedited loan processing for lenders doing 20 or fewer loans per year	\$350,000 (Total loan amount)	75% (85% if loan is \$150,000 or less)	Same as 7(a)	Same as 7(a)	See 7(a)	See 7(a)	See 7(a)
CAPLines Short-term loans. Seasonal, Contract, Builders, Standard Asset-Based, Small Asset-Based	Same as 7(a) except, Small Asset Based limited to \$200,000)	75% (85% if loan is \$150,000 or less)	Finance seasonal working capital needs; costs to perform contract(s); construction costs of spec buildings; advances against existing inventory and receivables	Up to 5 years	See 7(a)	See 7(a); Under Standard Asset-Based, no restrictions on servicing fee	See 7(a); must be existing businesses except Asset Based and Small Asset Based