

Don't overlook smart loan alternatives

Financing through the U.S. Small Business Administration (SBA) loan programs provide opportunities to serve customers who fall outside a conventional credit box. The SBA 7(a) loan program serves small businesses in all stages of growth - from start-ups to established companies.

FAST FACTS

- ✓ The SBA 7(a) loan program is the SBA's primary and most popular product.
- ✓ The SBA 7(a) loan program offers lenders a guarantee as high as 85%, while borrowers receive extended repayment terms and lower down payment requirements in comparison to conventional loans.

7(a) PROGRAM DETAILS

Maximum loan amount	\$5 million
Qualifications	<ul style="list-style-type: none"> ✓ For-profit business ✓ Physical location and operation in the U.S. or its territories ✓ Principals must show good character, relevant management experience, and the business must demonstrate an ability to repay ✓ Meet SBA size standards
Use of loan	<ul style="list-style-type: none"> ✓ Expansion/renovations/new construction ✓ Purchase or construct real estate ✓ Purchase machinery/equipment/fixtures ✓ Leasehold improvements ✓ Working capital ✓ Refinance existing business debt ✓ Expand, acquire, or start a business ✓ Purchase inventory
Guarantee	<ul style="list-style-type: none"> ✓ 85% guaranty for loans up to \$150,000 ✓ 75% guaranty for loans greater than \$150,000
Interest rates	<ul style="list-style-type: none"> ✓ Variable rate loans less than 7 years: Loans greater than \$50,000 cannot exceed: Prime + 2.25% ✓ Variable rate loans 7 years or longer: Loans greater than \$50,000 cannot exceed: Prime + 2.75%
Maturity	Maximum 10 years or the useful life of equipment, leasehold improvements and business acquisitions; Maximum 10 years for working capital; Maximum 25 years for real estate