## 7(a) Loan Program:

$150,000 and less – 85% guaranty
Over $150,000 – 75% guaranty
**(**Raised to 90% as part of stimulus package and borrower's fees are being waived)**

Maximum loan amount $2 million

Maturities:
- Up to 25 years for real estate
- Up to 10 years for equipment
- Up to 10 years for working capital

Shorter terms and revolving lines of credit are available

Eligible use of proceeds: purchase machinery & equipment, fixtures, supplies, leasehold improvements, land and/or buildings occupied by business owner, expand or renovate facilities, finance receivables and augment working capital, finance seasonal lines of credit, construct commercial buildings, refinance existing business debt under certain conditions.

## SBA-Express:

Smaller loans up to $350,000
Guaranty up to 50%
Loans under $25,000 do not require collateral

Maturities:
- Usually 5 to 7 years for working capital
- Up to 25 years for real estate and equipment
- Revolving lines of credit maximum of 7 years

## 504 Loan Program:

Economic development program. Provides long term financing for acquisition and/or renovation of capital assets including land, buildings and equipment.

Backed by a 100% guaranteed debenture sold to investors

Maximum debenture is:

- $1.5 million for business that creates a certain number of jobs or improves the economy of the locality
- $2 million for businesses that meet a specific public policy goal, including veterans
- $4 million for manufacturers

Two-tiered financing: lender finances approximately 50% of the project costs and receives a first lien on project assets (no SBA guaranty on this portion), SBA provides 100% percent guaranteed debenture that finances up to 40% of the project costs secured by a subordinate lien on project assets, borrower provides balance – 10%.

## Micro-loan Program:

Small loans ranging from $500 to $35,000.

SBA makes funds available to non-profit intermediaries that in turn make the loans directly to the small business.

Eligible use of proceeds: working capital, machinery and equipment, inventory and leasehold improvements

Interest rates are negotiated between borrower and intermediary

# Child Care Facilities Micro-Loan Program:

Program was designed to assist small business owners with start-ups and expansion of childcare facilities and childcare providers in the state.

Loan size is limited to $25,000

Eligible use of proceeds: purchase equipment, furniture, fixtures and improvements, insurance premiums, legal, design and planning fees, licensing and required approval costs.

Interest rate is fixed for the term of the loan

No application or origination fees

Technical assistance is available free of charge to all borrowers to assist them in the successful operation of the childcare business.

## **Patriot Express:**

Pilot loan initiative with SBA's traditional small business ownership training for veterans military community members wanting to establish or expand small businesses.

Eligible military community members include: veterans, service disabled veterans, active duty service members eligible for the military's Transition Assistance Program, reservists and National Guard members, current spouses of any of the above, widowed spouse of a service member or veteran who died during service or of a service connected disability.

Loans up to $500,000
Same guaranty as 7(a)
Loans over $350,000 require lenders to take all available collateral

Eligible use of proceeds: most business purposes including start-up, expansion, equipment purchases, working capital, inventory or business-occupied real estate purchases.

Interest rates lower than 7(a) (2.25% to 4.75%)