

SBA LOAN PROGRAMS

Call the SBA Richmond District Office at (804) 771-2400 for additional information on any of these loan programs. (Last updated March, 2009)

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. <u>Export Exp</u> : Business open for at least 1 yr.; entering/expanding an export market.	Same as Regular 7(A) and: Small businesses whose principal office (as defined in 13 CFR 126.103) is located in a HUBZone or Community Reinvestment Act (CRA) designated area; or fall into a Headquarters-approved district office initiative to support a local community/economic development market. Loans of \$25,000 or less that are not located in a CRA, HUBZone, or HQ approved district office market.	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	90%, EXCEPT on loans in excess of \$1,666,666. Since SBA's exposure is capped at \$1,500,000 the guaranty will gradually decline to 75% at the \$2,000,000 level.	<u>SBAExp</u> : 50% of loan <u>PTX</u> : Same as Regular 7(A) ExportExpress uses Regular 7(a) guaranty percentages.	90% 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).	10 years for equipment 20 years for real estate.
MAXIMUM INTEREST RATES Note: In lieu of Prime, bank may use LIBOR+3% or the SBA Peg Rate.	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)	No SBA upfront fees are charged on long term loans as long as special funding from the 2009 Recovery Act remains available. This is expected to last until December 31, 2009. A fee of ¼% of the guaranteed portion of the loan is charged for loans with maturities of 12 months or less.			On the SBA/504 Portion ONLY: Up front fees of about 0.65% of the net debenture proceeds plus annual servicing & guaranty fees of generally less than 1% 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 for marketing, financial, management and planning assistance.	Must create or retain 1 job for every \$65,000 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.