



Loan Programs

Lender Benefits

- Mitigate bank's risk
- Minimal cost to borrower
- Bank can reduce interest rate to borrower because loan has a SBA guaranty
- Rates can be fixed or floating
- Provides bank a guaranty on loan which provides a higher return with the same security as government securities
- Terms on loans are longer than conventional bank terms which provides lower payments
- Offsets risk associated with business start-up financing

Required Forms

- SBA Form 4
- SBA Form 4-I (include lender's credit display)
- SBA Form 413
- SBA Form 1624 (borrower)
- SBA Form 1846 (lender)
- SBA Form 4A
- SBA Form 912

Other documents also required for complete package.

Most forms can be located at www.sba.gov/banking.

For More Information

- SBA Montana District Office:
406-441-1081
- Fax: 406-441-1090
- E-mail: Linda.kindrick@sba.gov
- TDD: 406-441-1097
- District Home Page:
www.sba.gov/mt

All of the SBA's programs and services are provided to the public on a nondiscriminatory basis.

(05/20/04)

7(a)

Maximum loan \$2.0MM with a 75% guaranty (until 10/01/04)

Guaranty

- \$150.0M loan 85% guaranty
- Loan greater than \$150.0M to \$1.3MM 75% guaranty

Guaranty Fee

- Loan \$150.0M and less 1% guaranty fee
- Loans greater than \$150.0M up to \$700.0M 2.5% guaranty fee
- Loan greater than \$700.0M 3.5% guaranty fee
- Additional .25% guarantee fee on guarantee portion of loan to exceeds \$1.0MM (expires 10/1/04)
- Any size loan with a maturity less than one year .25% guaranty fee

Rates

- Based on wall street journal prime rate
- Loans less than 7 years prime plus 2.25%
- Loans greater than 7 years prime plus 2.75%
- Loans less than \$25.0M 4.75% above prime
- Loans more than \$25.0M less than \$50.0M 3.75%
- Rates may be fixed or float about prime

Maturities

- Working capital loans up to 7 year maturity
- Equipment 10 years or useful life
- Real estate loans up to 25 years
- Note may blend rate with the above usages

Collateral

- Must secure adequate collateral to cover loan