

# SBA Loans for Employee Stock Ownership Plans

## Realizing the Dream of Small Business Ownership

You've worked for a small business for years. You're already invested. You know it makes a difference in your community and you can't imagine working anywhere else. You see the benefit to having employees own and operate the company. So, when your employer announces an interest in selling the small business to retire, you and your coworkers begin to discuss the possibility of taking over the business yourselves. Do you know who to talk to about making that dream a reality?

The U.S. Small Business Administration supports financing for employees who are interested in buying out their employers. Funding is available to qualified employee trusts through SBA-backed 7(a) loans.

Loan proceeds may be used for two purposes:

- Help finance the growth of an employer's small business.
- Purchase a controlling interest (51 percent or more) in the company. Ownership and control must vest in the trust by the time the loan is repaid.

FOR BORROWERS



## Need More Information?

Contact your local SBA district office at [sba.gov/tools/local-assistance](https://www.sba.gov/tools/local-assistance) to get counseling on ownership before financing and for a list of SBA Lenders in your area who can assist you with financing.



U.S. Small Business  
Administration

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