

# Working Capital Pilot Program

## Expand Your Market

Support your client's working capital needs with the U.S. Small Business Administration's (SBA's) enhanced Working Capital Pilot (WCP) that leverages our 7(a) Loan Program. With the support of a loan guarantee, the WCP allows lenders to extend flexible lines of credit with amounts and terms to businesses that might not otherwise qualify for a conventional loan.

The WCP's line of credit functionality has been revamped to better meet the needs of growing small and medium-sized businesses. The WCP also allows lenders to apply for delegated status as a way to further integrate the WCP into a Lender's existing SBA offerings.

## WCP Features

- A new annual guaranty fee structure charges a proportional fee for each year the line is in use
- Working capital flexibility through both asset-based revolving and transaction-based loan options
- Growing small businesses can transition their SBA Express loan into a WCP as their needs increase
- Interest rate options have been expanded to include the Secured Overnight Financing Rate (SOFR)

## Meeting Borrower Needs

Borrowers can use the WCP's flexibility for a wide range of purposes, such as:

- Project financing to support working capital needs at an earlier point than would be available under a traditional line of credit, including issuing letters of credit

FOR LENDERS



## Loan Overview

**Maximum Loan Amount:** \$5 million dollars

**SBA Guarantee:** 85% for loans up to \$150,000; or 75% for loans greater than \$150,000

### Interest rates:

- \$50,000 or less: cannot exceed base rate + 6.5%
- \$50,001 - \$250,000: cannot exceed base rate + 6.0%
- \$250,001 - \$350,000: cannot exceed base rate + 4.5%
- \$350,001 and greater: cannot exceed base rate + 3.0%

**Term:** Loan term varies according to the purpose of the loan, up to a maximum of 60 months



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- Asset-based working capital to support growth and supply chain resiliency
- Working capital against both domestic and international orders under a single loan, avoiding the need for multiple lines of credit
- Accessing international markets, or capitalizing on opportunities under the federal Home Energy Rebate Program

The SBA's national team of subject matter experts offer one-on-one counseling on the WCP and can guide you and your clients through working capital transactions.

## Get Started

Visit [sba.gov/finance-managers](https://sba.gov/finance-managers), scan, or email [7aWCP@SBA.gov](mailto:7aWCP@SBA.gov) to contact a local subject matter expert for assistance.

Email [OFANotifications@sba.gov](mailto:OFANotifications@sba.gov) to receive the SBA 7(a) Working Capital Pilot Newsletter containing notifications and training opportunities.

