



The SBA offers a variety of loan programs for very specific purposes. Banks, savings and loans, credit unions, and other specialized lenders participate with SBA on a deferred basis to provide veteran-owned small business loans that are structured under 7(a) guidelines.

If you're already an SBA lender you'll recognize that the 7(a) Advantage Loans haven't changed. This product is specifically designed to assist veterans in acquiring capital to start, grow or succeed in business. However, all other 7(a) guidelines (unless noted) remain the same.

SBA also offers online training courses and counseling that is delivered through our network of experienced resource partners to help veterans become lender-ready.

Fee Relief for SBA Veterans Advantage Guaranteed Loans

Serving those who have faithfully served our country is a core value at the SBA. As a result of their military training and experiences, veteran business owners have developed skills and leadership abilities that prove invaluable to successfully operating a business.

As a lender, you play an important role in stimulating economic growth in your community. To encourage lending to veteran-owned small businesses, the SBA is providing a reduction in certain loan program fees through September 30, 2017.

Reducing Fees Can Help Increase Lender Loan Portfolio

Veteran-owned businesses are one of the fastest growing and significant segments of the U.S. economy. In 2012, veterans comprised 9.1 percent of all business owners and were likely to own more than one business (10.3 percent versus 7.4 percent for non-veterans)*.

Lender Benefits

- Expands your lending opportunities
- Reduces your risk when offering credit to newer, less established businesses
- SBA guarantees from 50 to 85% of the loan
- Free up capital by selling the guaranteed portion of an SBA loan, at a premium, into the secondary market
- Loans meet the requirements of the Community Reinvestment Investment Act
- Staff training on SBA loan requirements is available from your local SBA office

Providing “fee-relief” on small-dollar SBA guaranteed loans will reduce barriers to capital access, encourage loan creation, and make it easier for lenders to provide this much-needed capital infusion to veteran-owned or controlled small businesses. The SBA utilizes a credit scoring model to help reduce underwriting costs and processing time—making these loans more lender-friendly.

* Source: SBA Office of Advocacy's Profile of Veteran Business Owners—November 8, 2013 Report.

SBA Veterans' Advantage Express and Non-Express Loan Fee Relief Includes:

1. The up-front guaranty fee on all SBA Express loans is 0% through FY2017.
2. The up-front guaranty fee for Non-Express 7(a) loans is as follows:
 - a. Loans with a maturity over 12 months:
 - \$0 to \$150,000 - 0%;
 - \$150,001 to \$500,000 - 1.5% of the guaranteed portion;
 - \$500,001 to \$700,000 - 3.0% of the guaranteed portion;
 - \$700,001 to \$5,000,000 - 3.5% of the guaranteed portion for the first \$1,000,000; and 3.75% for the guaranteed portion over \$1,000,000.
 - b. Loans with a maturity less than 12 months:
 - \$0 to \$150,000 - 0%
 - \$150,001 to \$500,000 - 0.125% of the guaranteed portion
 - \$500,001 to \$5,000,000 - 0.25% of the guaranteed portion

Veteran Small Business Qualifications

A small business must be at least 51% owned and controlled by an individual or individuals in the following groups:

- Honorably discharged veterans;
- Active Duty Military service member eligible for the military's Transition Assistance Program (TAP);
- Active Reservists and/or active National Guard Members; or
- Current spouse of any veteran, Active Duty service member, Reservist, National Guard member, or the widowed spouse of a service member who died while in service or as a result of a service-connected disability.

SBA Veterans Advantage Documentation Requirements

Verification of eligibility is required; please review SBA Information Notice 5000-1390 for a complete list of acceptable documentation.

For more information:

To learn more about the **SBA Veterans Advantage Fee Relief** initiative, please contact your local SBA District Office (<https://www.sba.gov/tools/local-assistance/districtoffices>), or visit us online at www.sba.gov/for-lenders.