



7(a) Loan Program

Program	Max. Amount	Use of Proceeds	Maturity	Max. Interest Rate	Structure	Who Qualifies	Borrowers' Benefits
Standard 7(a): Applicant applies for business loan to lender; lender applies to SBA for guaranty of the proposed loan if they determine it is necessary. Loan from lender, not SBA.	\$5 million to any one business, including affiliates.	Expansion/renovation; new construction; purchase land or buildings; purchase equipment, fixtures, leasehold improvements; working capital; inventory, business acquisition, startups and refinancing under certain conditions (discuss with lender).	Depends on use of proceeds and ability to repay. Generally working capital and machinery and equipment loans have 5-10 years; real estate is up to 25 years. Term negotiated with lender.	SBA sets a maximum rate for both variable and fixed rate loans. (Discuss with lender or local SBA district office for current information.)	Term loan with one payment of principal and interest (P&I) each month. Interest variable or fixed as negotiated with lender. Cannot be revolving. SBA charges a Guaranty Fee.*	Must be for-profit and meet SBA size standards; show good character, credit, management, and ability to repay; must be an eligible type of business; use proceeds for eligible purpose, and demonstrate that credit is not otherwise available.	Businesses able to obtain financing which otherwise would not be provided due to term, collateral, equity, and/or time in business. Fixed maturity; no balloons; no prepayment penalty if maturity under 15 years. Establish or reaffirm business relationship with lender.
International Trade: Long-term financing to help businesses engaged in exporting or adversely impacted by imports.	Same as Standard 7(a).	Acquire, renovate, modernize facilities or equipment used in making products or services to be exported. Plus, permanent working capital and refinance debt not structured with reasonable terms.	Same as Standard 7(a).	Same as Standard 7(a).	Same as Standard 7(a). Maximum SBA guaranty amount for working capital is \$4 million.	Same as Standard 7(a). Plus, businesses must be engaged or preparing to engage in international trade or adversely affected by competition from imports.	Same as Standard 7(a). Plus, long-term financing for fixed assets used to produce products or services for export.
Export Working Capital Loan: Single transaction or Revolving Working Capital lines of credit for exporters.	Same as Standard 7(a).	Short-term, working capital for exporters. Can be single transaction or revolving. Standby Letters of Credit for export purposes.	Generally one year, but can be up to three years to match a single transaction cycle.	Established by lender. No SBA established maximums.	Short-term revolving line of credit based on borrowing base or export purchase orders. Monthly interest payments; principal payments based on collection of foreign receivables.	Same as Standard 7(a). Plus, must have been in business for at least one year and preparing to engage in or increase international trade.	Same as Standard 7(a). Plus, provides working capital to American exporters to perform on export transactions and/or finance export receivables. Ability to finance standby letters of credit for export purposes.
CAPLines: Four different Revolving Lines of Credit, also known as Seasonal, Contract Builders, Working Capital.	Same as Standard 7(a).	Finances: seasonal working capital needs, direct cost to perform assignable contracts, construction costs of structure for resale, or advances against existing inventory and receivables.	Up to 10 years	Same as Standard 7(a).	Revolving line of credit with monthly interest and principal payments based on when the business receives the cash for doing the activity the loan proceeds financed.	Same as Standard 7(a). Plus, a business that needs the specialized proceeds this program offers.	Same as Standard 7(a). Plus, provides revolving working capital not otherwise available to perform on an assignable contract, to cover seasonal needs, to build or renovate personal or commercial space, and to obtain funds against existing current assets. Also structured to meet business needs.
SBA Express: Lender approves the loan.	\$350,000	Same as Standard 7(a) or may be used for a revolving working capital line of credit.	Same as Standard 7(a) for term loans, revolving lines of credit up to seven years.	Loans \$50,000 or less: Prime + 6.5%/ Loans over \$50,000: Prime + 4.5%.	Same as Standard 7(a) except lender has more leeway to structure repayment under their own rules.	Same as Standard 7(a).	Same as Standard 7(a). Plus, streamlined process; Easy-to-use line of credit allows for a revolving feature which Standard 7(a) does not.
Small Loan Advantage: Lower-dollar loans.	\$350,000	Same as Standard 7(a).	Same as Standard 7(a).	Loans up to \$150,000: 85%/ Loans above \$150,000: 75%.	Same as Standard 7(a).	Same as Standard 7(a).	Streamlined loan application and use of credit scoring.
Rural Lender Advantage: Rural-based or small community lender.	\$350,000	Same as Standard 7(a).	Same as Standard 7(a).	Loans up to \$150,000: 85%/ Loans above \$150,000: 75%.	Same as Standard 7(a).	Rural and small community markets impacted by population loss, high unemployment.	Streamlined loan application.

* The SBA charges the lender a guaranty fee based on the loan's maturity and the dollar amount which is initially guaranteed. The lender can pass this expense to the borrower and loan proceeds can be used to reimburse the lender. The 7(a) Guaranty Fee Reference Chart (on the next page) explains the agency's guaranty fee charges.

7(a) Loan Program, *continued*

Program	Max. Amount	Use of Proceeds	Maturity	Max. Interest Rate	Structure	Who Qualifies	Borrowers' Benefits
Export Express: Lender approves the loan.	\$500,000	Same as SBA Express. Plus, can be used for Standby Letters of Credit for export purposes, debt refinancing is not allowed.	Same as SBA Express.	Same as SBA Express.	Same as SBA Express.	Same as SBA Express. Plus, loan proceeds must be used to support export development activity.	Same as SBA Express. Plus, provides lenders with a higher percentage guaranty which can encourage them to make more loans to finance export development activities of small businesses; Standby Letters of Credit are also authorized.
Patriot Express: Lender approves the loan.	\$500,000	Same as Standard 7(a).	Same as Standard 7(a).	Same as Standard 7(a).	Same as SBA Express.	Same as Standard 7(a). Plus, must be owned and controlled by one or more of the following groups equalling at least 51% of ownership: veteran, active-duty military, reservist or National Guard member or spouse of any of these groups, or widowed spouse of service member or veteran who died during service or of service-connected disability.	Same as SBA Express. Plus, provides lenders with a higher percentage of guaranty, which can encourage them to make more loans to qualified businesses.
Community Advantage: Alternative lenders assisting businesses located in areas with high needs.	\$250,000	Same as Standard 7(a) except cannot be used to refinance loans made by or guaranteed by the Dept. of Agriculture or loans by SBA Micro-Lenders using their SBA intermediary loan.	Same as Standard 7(a).	Same as Standard 7(a) except allowable "Spread" is +4% over the base rate.	Allows mission-oriented lenders focused on economic development in underserved markets to apply for 7(a) guaranty on loans they propose to make to an eligible small business.	Loan eligibility requirements are same as for Standard 7(a), but the business should be located in an underserved market.	Borrowers in underserved markets get more choices on the types of lenders that can provide them financing if their financing needs an SBA guaranty and the technical assistance needs of the applicant are assessed by the lender.

Non 7(a) Loans

504 Loans: Fixed-asset project financing provided from three sources.	SBA portion up to \$5 million	For the acquisition of long-term fixed assets, refinancing long term fixed-asset debt under certain conditions, and working capital on a limited basis.	Either 10- or 20-year terms on the SBA/CDC portion.	Check with local SBA district office for current information.	Financing from: 1. The CDC (certified development company) 2. Third party lenders 3. Applicant.	For profit businesses that do not exceed \$15.0 million in tangible net worth and do not have an average net income over \$5 million for the past two years.	Fees under 3%; long-term fixed rate; low down payment; full amortization; no balloons
Micro-Loans: Long-term financing to help businesses engaged in exporting or adversely impacted by imports.	\$50,000 total to one small business owner.	Furniture, fixtures, supplies, inventory, equipment and working capital.	Shortest term possible, not to exceed six years.	Check with local SBA district office for locations of locally available intermediary lenders and check with them.	Loans through nonprofit lending organizations; technical assistance also provided.	Same as Standard 7(a). Plus loans can be made to nonprofit day care businesses.	Direct loans from nonprofit intermediary lenders; fixed-rate financing; very small loan amounts; technical assistance available.

7(a) Guaranty Fee Reference Chart

Gross Size of loan	Fees	Notes
Loans of \$150,000 or less (See NOTE 1)	Lender is authorized to retain 2% of guaranteed portion	Maturities that exceed 12 months
Loans of \$150,001 to \$700,000	3% of guaranteed portion	Maturities that exceed 12 months
Loans of \$700,001 to \$500,000 (See NOTE 2)	3.5% of guaranteed portion up to \$1,000,000 PLUS 3.75% of the guaranteed portion over \$1,000,000	Maturities that exceed 12 months

NOTE 1: The guaranty fee on a \$100,000 loan with an 85% guaranty would be 2% of \$85,000 or \$1,700, of which the lender would retain \$425.

NOTE 2: The guaranty fee on a \$2 million loan with a 75% guaranty [\$1.5 million guaranteed portion would be 3.5% of \$1 million (\$35,000) PLUS 3.75% of \$500,000 (\$18,750) for a total of \$53,750.