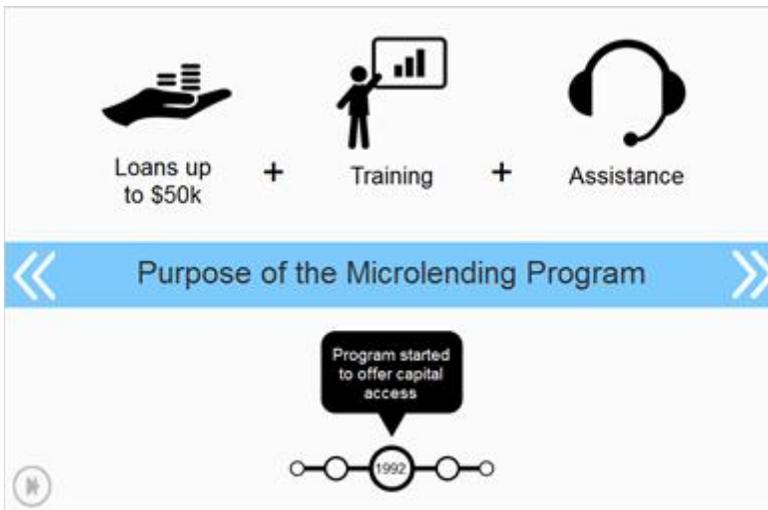


VIGNETTE Microloans

1.1 SBA Microloan Program

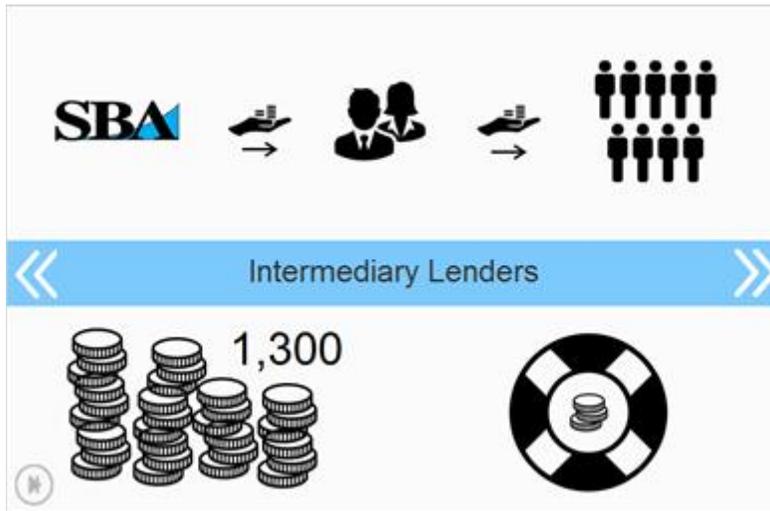


1.2 Purpose of the Microlending Program



The SBA started the Microloan Program in 1992 in order to give small-business borrows greater access to capital. The program provides small businesses with loans up to \$50,000, as well as business-based training and technical assistance.

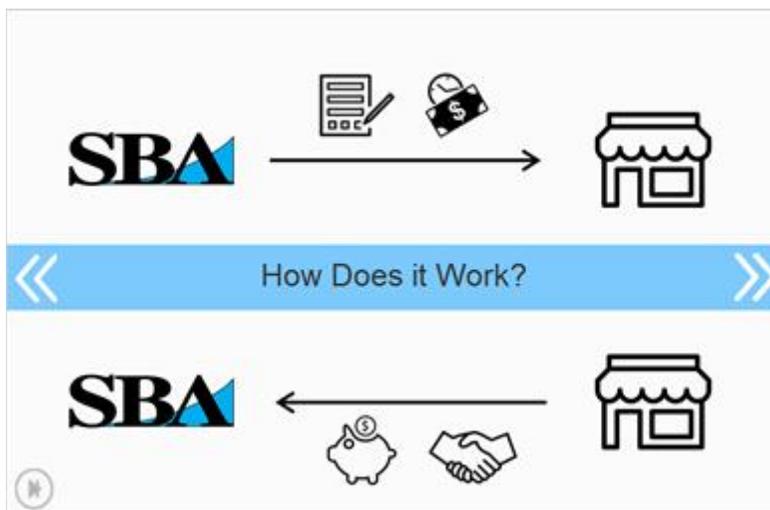
1.3 Intermediary Lenders



This is possible through the use of private, non-profit intermediary lenders who actually provide the small loans to businesses. The SBA provides direct loans to intermediary lenders who then provide microloans to eligible borrowers.

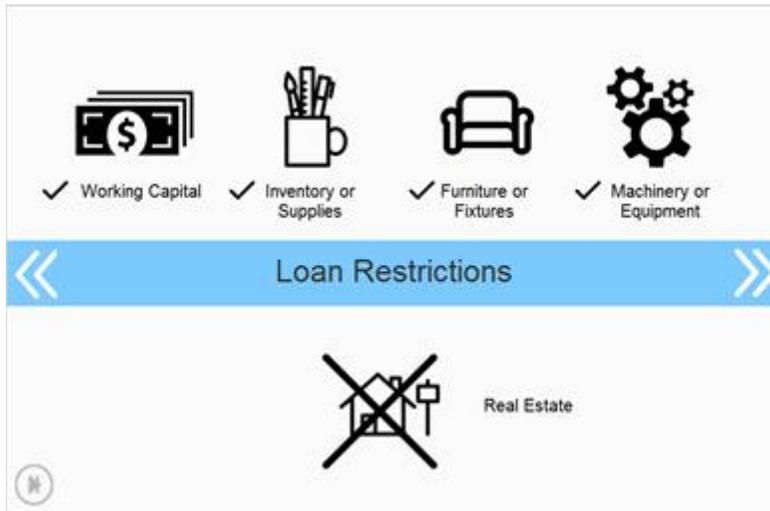
You may be interested to know that the top 10 intermediary lenders approved over 1,300 loans in 2014 alone. The program is designed to accommodate as many borrowers as possible, however it is most beneficial to businesses with minimal capital requirements.

1.4 How Does it Work?



The way it works is that approved intermediary lenders in the SBA program provide loans based on their own underwriting and credit requirements. Generally, the small business owner will be required to provide some sort of collateral, along with a personal guarantee.

1.5 Loan Restrictions



You may use the loan for working capital, inventory or supplies, furniture or fixtures, and machinery or equipment. You cannot use the loan to purchase real estate.

1.6 Repaying the Loan



Microloan terms can extend as long as six years, and interest rates are generally between 7% and 10%.

1.7 Applying for a Loan



Notes:

If you're ready to apply for a microloan, you may find them through the approved intermediary lenders on sba.gov.

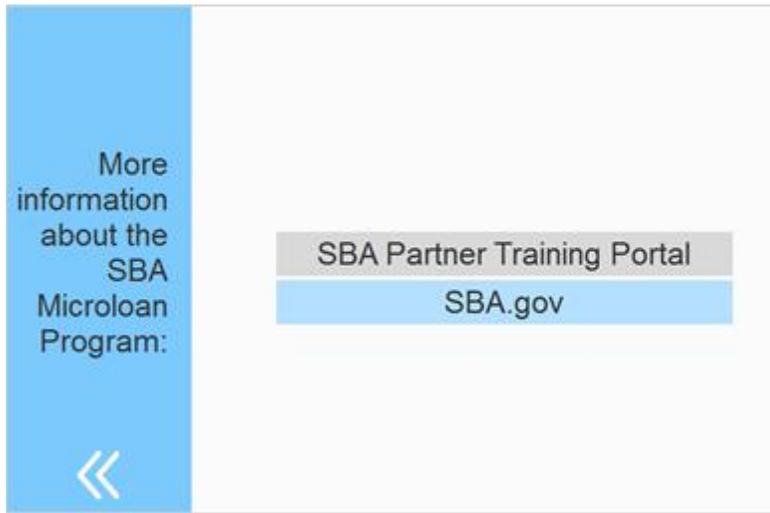
You may also contact your local SBA District Office for more information about the program and the resources available to you. Contact information for SBA's District Offices can also be found on SBA.gov.

1.8 Training and Planning Requirements



If you do apply for microloan financing, you may be required to fulfill training or technical assistance requirements before your loan application is considered. This will help you launch or expand your business. Ongoing training may also be required after you receive your loan proceeds.

1.9 For more information on the ScaleUp America Initiative



Notes:

For more information about the SBA Microloan Program, check out these resources on the SBA Partner Training Portal and on SBA.gov's Microloans page!