

SBA Veterans' Programs

Veteran business owners possess skills and leadership abilities that are invaluable to operating a successful business. As more Veterans return from active duty, their business-ownership will likely grow, and the SBA is committed to helping Veteran small business owners succeed.

▶ What are SBA Veterans Advantage Loans?

SBA Veterans Advantage Loans are 7(a) loans to qualified Veterans and their spouses that provide term or revolving credit. These loans can be up to \$5 million for start-up or existing businesses and are beneficial for businesses with insufficient collateral for conventional financing.

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 participating in the military's Transition Assistance Program (TAP)
- Active Reservists and/or active National Guard Members
- Current spouse of any veteran, Active Duty service member, Reservist, National Guard member
- Widowed spouse of a service member who died while in service or as a result of a service-connected disability

▶ How can Veterans benefit from SBA's Fee Relief on Small Loans?

- SBA Fee Relief helps Veterans and their spouses start and grow small businesses.
- Terms: 0% up-front guaranty and no annual service fee for 7(a) loans \$150,00 and under
- 0% up-front guaranty fee to qualified Veterans for SBA Express loans \$350,000 and below
- 50% reduction in the up-front guaranty fee for qualified Veterans on non-Express 7(a) loans, as follows:
 - » If maturity is greater than 12 months:
 - \$150,001 - \$700,00: 1.5% of the guaranteed portion
 - \$700,001 - \$5,000,000: 1.75% of the guaranteed portion for the first \$1,000,000, plus 1.875% for the guaranteed portion over \$1,000,000.
 - » If maturity is less than 12 months:
 - 0.125% up-front guaranty fee of the guaranteed portion.

 **Pro tip:** The annual servicing fee for SBA Veterans Advantage Loans \$150,001 or above is unchanged at 0.519%.

▶ Veterans Business Outreach Centers (VBOCs)

The Veterans Business Outreach Program (VBOP) is designed to provide entrepreneurial development services such as business training, counseling and mentoring, and referrals for eligible veterans owning or considering starting a small business. The SBA has 15 organizations participating in this cooperative agreement and serving as Veterans Business Outreach Centers (VBOC), and offer the following services:

Pre-Business Plan Workshops

VBOCs conduct entrepreneurial development workshops dealing specifically with the major issues of self-employment. An important segment of these workshops entails the usage of the Internet as a tool for developing and expanding businesses. Each client is afforded the opportunity to work directly with a business counselor.

Business Plan Preparations

VBOCs assist clients in developing and maintaining a five-year business plan. The business plan includes such elements as the legal form if the business, equipment requirements and cost, organizational structure, a strategic plan, market analysis, and a financial plan. Financial plans include financial projections, budget projections, and funding requirements.

Comprehensive Feasibility Analysis

VBOCs provide assistance in identifying and analyzing the strengths and weaknesses of the business plan to increase the probability of success. The results of the analysis are utilized to revise the strategic planning portion of the business plan.

Entrepreneurial Training and Counseling

VBOCs, working with other SBA resource partners, target entrepreneurial training projects and counseling sessions tailored specifically to address the needs and concerns of the service-disabled veteran entrepreneur.

Mentorship

VBOCs conduct, as appropriate, on-site visits with clients to ensure adherence to their business plans. Additionally, VBOCs review monthly financial statements to determine whether a revision of the business plan is warranted or that desired results are being attained.

Concept Assessments

VBOCs assist clients in assessing their entrepreneurial needs and requirements.

Other Business Developmental Related Services

VBOCs also provide assistance and training in such areas as international trade, franchising, Internet marketing, accounting, etc.