



News Release

PRESS OFFICE

Release Date: June 28, 2007

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Release Number: 07-38

Internet Address: <http://www.sba.gov/news>

SBA Begins Processing Applications Today Under Patriot Express Pilot Loan Initiative

Positive Initial Response from Lending Partners

Initiative Aimed at Military Service Members, Veterans, and Spouses

WASHINGTON, D.C. – The U.S. Small Business Administration (SBA) today began accepting applications from lenders on behalf of borrowers in its new Patriot Express Pilot Loan Initiative for military community entrepreneurs. Patriot Express is a streamlined loan product based on the agency's highly successful SBA Express Program, but with enhanced guaranty and interest rate characteristics.

"We are pleased the process of providing a special loan product to America's service men and women who wish to start or expand businesses has begun," SBA Administrator Steven Preston said. "This initiative builds on the more than \$1 billion annually in loans SBA guarantees for veteran-owned businesses, and the counseling assistance and procurement support it provides each year to more than 100,000 veterans, service-disabled veterans and Reserve members."

Patriot Express is available to military community members including veterans, service-disabled veterans, service members leaving active duty, Reservists and National Guard members, current spouses of any of the above, and the widowed spouse of a service member or veteran who died during service, or of a service-connected disability.

Interest from the lending community is strong. More than 150 banks have already been approved to participate in Patriot Express, including many of SBA's largest lenders, even though the program was announced only two weeks ago. SBA has many more lenders in the approval process and continues to receive more applications from lenders to participate every day. Loans are available up to \$500,000 and qualify for SBA's maximum guaranty of up to 85 percent for loans of \$150,000 or less and up to 75 percent for loans over \$150,000 up to \$500,000. For loans above \$350,000, lenders are required to take all available collateral to secure the loan and may obtain collateral for smaller loans depending upon individual bank requirements. Interest rate maximums for Patriot Express loans are the same as those for regular 7(a) loans: a maximum of prime + 2.25 percent for maturities under 7 years; prime + 2.75 percent for 7 years or more. Interest rates can be higher by 2 percent for loans of \$25,000 or less; and 1 percent for loans between \$25,000 and \$50,000.

The Patriot Express Pilot Loan Initiative can be used for most business purposes. Details on the initiative can be found at www.sba.gov/patriotexpress.

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Note: A Web-based press kit is at http://www.sba.gov/patriotexpress/SBA_PATRIOT_PRESS_KIT.html