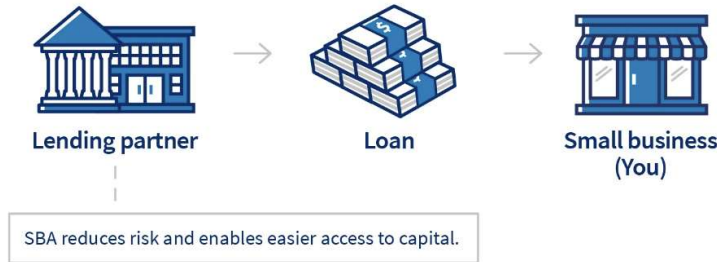


SBA Loans



What is the SBA 7(a) Program?

The 7(a) Loan Program is SBA's primary program for helping start-up and existing small businesses, with financing guaranteed for a variety of general business purposes.



<p>Use of proceeds</p> <ul style="list-style-type: none"> • Equipment purchases (machinery, business vehicles) • Permanent working capital • Inventory • Business expansion • Purchase an existing business • Partial change of business ownership • Real estate purchase • Land acquisition and real estate construction • Real estate improvements • Refinance of existing business debt <p>Amounts Minimum- \$25,000 Maximum – \$5 Million</p> <p>Maturity</p> <ul style="list-style-type: none"> • Inventory or working capital- Typically structured at 7 years, but not to exceed a maximum of 10 years • Equipment, fixtures, or furniture- Typically structured at 7 years but not to exceed a maximum of 10 years, it may not exceed the economic useful life. • Real Estate, including acquisition, rehabilitation, renovation, or construction- Up to 25 years plus any interest period to reasonably complete the construction or improvements 	<p>Interest rate and terms</p> <ul style="list-style-type: none"> • Variable Rates - Prime Rate based on loan amount and credit risk • Fully Amortized over life of loan (no balloon payment) • Pre-Payment Penalty <ul style="list-style-type: none"> ○ Under 15-year term- None, ○ 15 Years of Greater- 5,3,1% • SBA Fee <ul style="list-style-type: none"> ○ \$500,000 or Less = 0.0% ○ \$500,001-\$700,000 = 0.55% ○ \$700,001- \$1,000,000 = 1.05% ○ \$1,000,001- \$5,000,000= 3.5% (Up to \$1Mil plus 3.75% over \$1.Mil • Lender may charge up to \$2,500 packaging fee <p>Who qualifies?</p> <ul style="list-style-type: none"> • Must be for profit and meet size standards • Good character and credit management • Must be an eligible type of business <p>Benefits for borrowers</p> <ul style="list-style-type: none"> • Long term financing • Improved Cash flow • Fixed Maturity • No balloons • No prepayment penalty under 15 years
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