



**SBA's Mission:** Help U.S. small businesses start, grow, and succeed.

**Faith-based and Neighborhood Priority:** Build awareness of SBA's programs in faith-based and neighborhood communities by engaging organizations as conduits to take SBA's message to members, congregants, and neighbors.

## Opportunities

### Participation

- Faith-based for profit businesses
- Transfer Tasks to SBA and Resource Partners

### Partners as Intermediaries

- Microloan program (with Technical Assistance grants)
- 504 program (loans must be made thru non-profits)

## SBA's Four Mission Areas

1

**Entrepreneurial Development-** Free counseling and training from 68 SBA offices and 14,000 affiliated counselors.

Counseling and Training - SBA and resource partners train and counsel over a million small business owners and entrepreneurs a year.

- 2200 employees in 68 district offices
- About 900 Small Business Development Centers
- 370 SCORE chapters
- More than 100 Women's Business Centers
- TOTAL: 14,000 SBA-affiliated counselors

**Counseling** - Are you ready to start a business?

- Leadership traits
- Decision-making
- Managing Employees
- Marketing Basics
- Financing Options

**Technical Assistance** - Let's get started

- Developing a business plan
- Making contacts
- Accessing resources
- Completing loan applications

2

**Access to Capital-** \$90 billion portfolio of loans and loan guarantees

SBA guarantees loans to small businesses that can't obtain conventional business loans.

### 7(a)

- SBA's largest program
- Thousands of participating lending partners across U.S.
- SBA provides a 50% to 90% guarantee

### Small Business Jobs Act

- Reduced fees on 7(a) and 504 loans
- Raised guarantee on 7(a) to 90%

### Microloans

By statute, microloans must be made through non-profit intermediaries. Microloans are made **directly** to intermediaries who, in turn, make loans to borrowers.

- Maximum loan amount is \$50,000.
- Available to riskier borrowers - new entrepreneurs looking to start a business.
- More relaxed loan underwriting criteria; focuses more heavily on character; considers attributes other than just credit score.
- More liberal in deciding acceptable forms of collateral.

Microlenders compensate for greater risk by providing Technical Assistance. (Often SBA provides TA grants to lenders.)

- Uses: purchase machinery, equipment, fixtures, working capital, leasehold improvements; increased receivables
- Maturity: shortest term possible (6 years or less)

### 504

- Used to acquire real estate and major fixed assets
- SBA works with Certified Development Companies to guarantee up to 40% of project's cost

The Office of Business Development and Government Contracting is responsible for getting federal contracting dollars into the hands of small and disadvantaged businesses. By statute, 23% of all federal government prime contracting dollars must go to small businesses. In addition, the SBA helps ensure that prime contracting dollars go to disadvantaged small businesses:

- Small disadvantaged businesses (SDBs): 5%
- Women-owned small businesses: 5%
- Service-disabled veterans: 3%
- Historically-Underutilized Business Zones (HUBZones): 3%.

Beyond contracting, SBA offers a program that supports small and disadvantaged businesses.

**8(a) Business Development** (a 9 year program) provides contracting as well as management and technical assistance and other business development support to socially and economically disadvantaged small businesses.

- Procurement Assistance
- Individual Business Counseling
- Mentor-Protégé Program for 8(a) Participants
- Management and Technical Assistance through 7(j) Funded Training (basic and advanced)
- Annual Program Reviews

There are four groups identified as socially disadvantaged under the 8(a) Program (Black, Hispanic, Native, and Asian/Pacific Americans). Beyond being socially disadvantaged, 8(a) certified businesses must also:

- be economically disadvantaged.
- have a net equity, after excluding the equity in his/her firm and primary residence, not exceeding \$250,000.
- have a good character.
- have been in business for two full years immediately prior to the date of the 8(a) application.
- have the financial, managerial and technical capabilities to succeed.
- be at least 51% owned and managed by the disadvantaged US citizen.

**The HUBZone program** provides contracting assistance to small businesses located in economically distressed communities, to promote job growth, capital investment and economic development.

- The program's benefits for HUBZone-certified companies include competitive and sole source contracting, a 10% price evaluation preference in full and open contract competitions.
- To qualify for the program, a business must meet the following criteria:
- It must be a small business by SBA standards
- It must be owned and controlled at least 51% by U.S. citizens, or a Community Development Corporation, or an agricultural cooperative or an Indian tribe
- Its principal office must be located within a "Historically Underutilized Business Zone"
- At least 35% of its employees must reside in a HUBZone.

- Homeowners, renters and businesses of all sizes are eligible.
- The only direct loan program administered by the SBA.
- Physical disaster loans available to home and business owners to replace damaged or destroyed property.
- Economic injury disaster loans provide working capital to small businesses during a disaster recovery period.

For more information about your local SBA resources go to [www.sba.gov/localresources](http://www.sba.gov/localresources)