

**MAJOR U.S. SMALL BUSINESS ADMINISTRATION LOAN PROGRAMS**  
 Visit [www.sba.gov/financing](http://www.sba.gov/financing) for more information on SBA's loan programs

<b>FINANCE PROGRAMS</b>	<b><u>7(a) LOAN PROGRAM</u> and <u>LENDER ADVANTAGE</u></b>	<b><u>PATRIOT EXPRESS</u></b>	<b><u>SBAExpress and EXPORT EXPRESS</u></b>	<b><u>CERTIFIED DEVELOPMENT COMPANY LOANS (504)</u></b>
WHO CAN APPLY	For profit businesses that are small based on SBA size standards** and cannot borrow on reasonable terms from conventional lenders without SBA help. <b>Lender Advantage:</b> simplified program open only to lenders with an average of less than 20 SBA loans a year for the past three fiscal years.	Veterans, Active Duty Service Members eligible to retire, Reservists and National Guard members and the spouses of any of the above, plus widowed spouses of any service member who died while in service or of a service connected disability.	Same as regular 7(a) Business Loans	Same as regular 7(a) Loans.**
PURPOSE	Fixed assets, working capital, financing of start-ups or to purchase an existing business; some debt payment allowed, but lender's loan exposure may not be reduced with the Express products. Lines of Credit are offered with the Express programs. Limited lines of credit available under 7(a) <a href="#">CAPLines</a> .			Fixed assets only - no working capital. Some debt refinancing may be available. SBA takes a lien position behind that of the private sector lender.
SBA GUARANTY	<b>90%</b> <b>(until 12/31/2010 when it will return to 85%/75% levels)</b>		SBAExpress: 50%. Export Express: 90% on loans up to \$350,000, 75% on loans over \$350,000 up to \$500,000	SBA guarantees 100% of the debenture amount which generally ranges from 30-40% of the project.
MAXIMUM LOAN AMOUNT	<b>\$5,000,000</b> <b>Lender Advantage</b> <b>\$350,000</b>	<b>\$500,000</b>	<b>\$1,000,000*</b> <b>\$500,000</b> for Export Express	Maximum CDC/504 participation in a single project is <b>\$5 Million</b> , and \$5.5 million for manufacturers; minimum is \$50,000. There is no limit on the project size.
MATURITY	5 to 7 years for working capital, up to 25 years for equipment & real estate. All other loan purposes would have a maximum term of 10 years.		Same as Regular 7(a) except that lines of credit must be repaid within 7 years.	10 years for equipment 20 years for real estate.
MAXIMUM INTEREST RATES	Base rate plus 2-1/4% for maturities under 7 years. Base rate plus 2-3/4% for maturities of 7 years or longer. Loans of \$50,000 or less may add an additional 1% and loans under \$25,000 may add an additional 2%.		Bank base rate plus 6.5% for loans of \$50,000 or less, Bank base rate plus 4.5% for larger loans	Based on current market rate for 5 and 10 year Treasury Bonds.
GUARANTY FEES	No SBA upfront fees are charged on long term loans as long as special funding remains available. A fee of 1/4% of the guaranteed portion of the loan is charged for loans with maturities of 12 months or less.			Upfront fees of approx. 0.65% of net debenture proceeds plus annual servicing and guaranty fees of generally 1% based on unpaid debenture balance. The first mortgage lender's loan may have additional fees associated with it.
SPECIAL FEATURES AND/OR REQUIREMENTS	Use <a href="#">SBA Form 4</a> and <a href="#">4I</a> for 7(a) and <a href="#">2301 series</a> for Lender Advantage	Loan credit authority delegated to the lender, but lenders must be pre-approved by SBA. Lender uses <a href="#">SBA 1920SX series of forms</a> and borrower uses <a href="#">1919 Borrower Information form</a> .		Must intend to create or retain one job for every \$65,000 of the debenture <u>or</u> meet one of 14 Community or Public Policy Goals. A minimum down payment of 10% is required.

\*Higher SBAExpress loan amount is temporary through 9/27/2011. \*\*Temporary alternate size standard for both 7(a) and 504: Maximum tangible net worth is \$15 million or less; and average net income after Federal income taxes (excluding any carry-over losses) for 2 full fiscal years before date of application is \$5 million or less.

## KEY SBA BORROWER INFORMATION – Jobs Act Edition

Funding for the Jobs Act benefits of higher guaranties and reduced fees are available until December 31, 2010

**Guaranty Fees on loans exceeding 12 months in maturity.** Under the 2009 Stimulus Bill SBA Fees are **temporarily waived** on most loans. Borrower fees are only charged on loans of less than 12 months.  
**Guaranty Fees on loans up to 12 months in maturity** is still .25% and must be submitted within 10 days of loan approval. The full pre-Recovery Act guaranty fee may be required to renew the loan, so you may wish to make the loan for at least 13 months to avoid having to pay any additional fee.

### Interest Rate Limits

Term less than 7 yrs	WSJ Prime + 2.25%
Term of 7 yrs or more	WSJ Prime + 2.75%

**In lieu of WSJ Prime the lender may use LIBOR +3% or the SBA Peg Rate.**

Loan of \$25,000 or less May add 2%

Loan of \$25,001 to \$50,000 May add 1%

**SBAExpress limits are:**

**Lender base rate + 4.5% for loans over \$50,000**

**Lender base rate + 6.5% for loans of \$50,000 or less**

Regular 7(a) rates apply to Patriot Express Loans

### Maximum Guaranty Percentages

**All Programs** other than SBAExpress.....**90%**

**SBAExpress** (\$1,000,000 maximum).....**50%**

### Richmond District Office Contact

	Telephone	Individual Fax	e-mail addresses
Leroy Harris	(540) 295-3759	(202) 481-4092	<a href="mailto:leroy.harris@sba.gov">leroy.harris@sba.gov</a>
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### Key Web Sites

Small Business Administration	<a href="http://www.sba.gov">http://www.sba.gov</a>
Richmond District Office Homepage	<a href="http://www.sba.gov/va">http://www.sba.gov/va</a>
SBA Resource Guide	<a href="http://http://www.smallbusiness3.com/pdf/english/virginia.pdf">http://http://www.smallbusiness3.com/pdf/english/virginia.pdf</a>
List of SBA Lenders in Virginia	<a href="http://www.sba.gov/localresources/district/va/VA_VAPLPCLP.html">http://www.sba.gov/localresources/district/va/VA_VAPLPCLP.html</a>
SBA Richmond District Office Resource Guide	<a href="http://www.smallbusiness3.com/pdf/english/virginia.pdf">http://www.smallbusiness3.com/pdf/english/virginia.pdf</a>
Small Business Planner	<a href="http://www.sba.gov/smallbusinessplanner/index.html">http://www.sba.gov/smallbusinessplanner/index.html</a>
<u>Business Loan Proposal</u>	<a href="http://www.sba.gov/smallbusinessplanner/start/financestartup">http://www.sba.gov/smallbusinessplanner/start/financestartup</a>
Free Online Training Classes	<a href="http://www.sba.gov/services/training/onlinecourses/index.html">http://www.sba.gov/services/training/onlinecourses/index.html</a>
Virginia Small Business Development Centers	<a href="http://www.vasbdc.org/">http://www.vasbdc.org/</a>
Virginia SCORE: Counselors to Small Business Offices	<a href="http://www.score.org/">http://www.score.org/</a>
Participating Lender List - Richmond District Office	<a href="http://www.sba.gov/localresources/district/va/VA_VAPLPCLP.html">http://www.sba.gov/localresources/district/va/VA_VAPLPCLP.html</a>
Financial Assistance Forms	<a href="http://www.sba.gov/tools/Forms/smallbusinessforms/fsforms/index.html">http://www.sba.gov/tools/Forms/smallbusinessforms/fsforms/index.html</a>
NAICS Code Lookup (Census website)	<a href="http://www.census.gov/eos/www/naics/">http://www.census.gov/eos/www/naics/</a>
SBA Size Standards	<a href="http://www.sba.gov/contractingopportunities/officials/size/index.html">http://www.sba.gov/contractingopportunities/officials/size/index.html</a>
SBA Franchise Registry	<a href="http://www.franchiseregistry.com/Registry/">http://www.franchiseregistry.com/Registry/</a>
Exporting	<a href="http://www.export.gov">http://www.export.gov</a>
Free Credit Reports	<a href="http://www.annualcreditreport.com">www.annualcreditreport.com</a> (allows you to request a free credit report once every 12 months from Equifax, Experian and TransUnion).

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Updated October 1, 2010

### The Small Business Jobs Act of 2010:

- (1) pays the guaranty fee on all 7(a) loans;**
- (2) increases the SBA guaranty to 90% on all 7(a) programs except SBAExpress;**
- (3) increases the SBAExpress maximum loan amount to \$1 million until 9/27/2011.**
- (4) Also, some 504 loan fees are waived.**