

## ***SBA Loans Available To Small Businesses***

### ***Community Advantage Loan***

The SBA launched the Community Advantage (CA) loan program to assist small businesses in underserved markets.

#### **Loan details**

In the CA program, community-based, mission-focused lenders meet the credit, management, and technical assistance needs of small businesses in underserved markets.

<b>Maximum loan size</b>	\$250,000
<b>Maximum SBA guarantee %</b>	85% for loans up to \$150,000, 75% for loans greater than \$150,000, and 90% for International Trade loans
<b>Maximum interest rate</b>	Prime +6%
<b>SBA turnaround time</b>	5-10 days
<b>Program expiration date</b>	March 31, 2020

#### **Who can be a CA lender?**

The following types of organizations are eligible to become CA lenders:

- Certified Development Companies (CDCs)
- Microloan program intermediaries
- Intermediary Lending Pilot (ILP) program Intermediaries
- Non-federally regulated Community Development Financial Institutions (CDFIs) certified by the U.S. Treasury Department
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#### **Lender portfolio requirements**

Lenders in the CA program must maintain at least 60 percent of their SBA loan portfolio in underserved markets, defined as follows:

- Low-to-Moderate Income (LMI) communities
- Businesses where more than 50% of the full time workforce is low-income or resides in LMI census tracts
- Empowerment Zones and Enterprise Communities
- HUBZones
- Businesses in operation for less than two years
- Businesses eligible for SBA Veterans Advantage
- Promise Zones
- Opportunity Zones; and/or
- Rural Areas

## ***Express Bridge Loan***

The Express Bridge loan program allows SBA Express lenders to provide expedited financing to small businesses located in declared disaster areas. Express Bridge loans are intended to be interim loans. Businesses use these funds for disaster-related purposes while they apply for and await long-term financing.

### **Loan details**

The Express Bridge program follows the policies and procedures in place for the SBA Express program, with the following key points.

<b>Maximum loan amount</b>	\$25,000
<b>SBA guarantee %</b>	50%
<b>Maximum maturity</b>	7 years
<b>Program expiration date</b>	September 30, 2020

Only lenders that were already participating in the SBA Express program at the time of the disaster can issue Express Bridge loans. These lenders may issue Express Bridge loans only to eligible small businesses that had an existing banking relationship with the lender at the time of the disaster. Lenders can issue Express Bridge loans up to six months after the disaster declaration. Lenders may require a borrower to pay down or pay off the Express Bridge loan if the borrower is approved for long-term disaster financing that may be used to reimburse the Express Bridge loan.

### **The underwriting process**

The SBA has simplified the underwriting process for the Express Bridge program. When underwriting an Express Bridge loan, lenders have to consider only the following:

- A minimum acceptable credit score of 140 for the applicant issued by E-Tran upon submission of the loan application for screening
- A personal credit score for each guarantor
- Lenders must obtain a signed IRS Form 4506-T and an IRS tax transcript. For businesses in operation prior to the disaster but not long enough to have been required to file a tax return, lenders must provide an alternative to verify existence of the business.
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### **What businesses are eligible?**

To be eligible for an Express Bridge loan, a small business must be located, at the time of the disaster, in a county that's been declared as a disaster area, or any contiguous county. The loan must be used to support the survival and/or reopening of the small business within the affected county.

Read the [program guide](#) for complete details about the Express Bridge loan program.

### *Standard 7(a) Loan*

<b>Maximum loan amount</b>	\$5 million
<b>Maximum SBA guarantee %</b>	85% for loans up to \$150,000 and 75% for loans greater than \$150,000
<b>Interest rate</b>	Lenders and borrowers can negotiate the interest rate, but it may not exceed the SBA maximum
<b>Eligibility decision</b>	By the SBA. Qualified lenders may be granted delegated authority (PLP) to make eligibility determinations without SBA review.
<b>Revolving lines of credit</b>	Up to 10 years (Permitted only under CAPLines submission. See below)
<b>SBA turnaround time</b>	5-10 business days
<b>Forms</b>	SBA Form 1919 and SBA Form 1920 are required for every loan (other SBA Forms may be required)
<b>Collateral</b>	Lenders are not required to take collateral for loans up to \$25,000. For loans in excess of \$350,000, the SBA requires that the lender collateralize the loan to the maximum extent possible up to the loan amount. If business fixed assets do not “fully secure” the loan the lender may include trading assets (using 10% of current book value for the calculation), and must take available equity in the personal real estate (residential and investment) of the principals as collateral.
<b>Credit decision</b>	By the SBA. Qualified lenders may be granted delegated authority (PLP) to make credit decisions without SBA review.

### ***7(a) Small Loan Loan***

<b>Maximum loan amount</b>	\$350,000
<b>Maximum SBA guarantee %</b>	85% for loans up to \$150,000 and 75% for loans greater than \$150,000
<b>Interest rate</b>	Lenders and borrowers can negotiate the interest rate, but it may not exceed the SBA maximum
<b>Eligibility decision</b>	By the SBA. Qualified lenders may be granted delegated authority (PLP) to make eligibility determinations without SBA review.
<b>SBA turnaround time</b>	5-10 business days
<b>Forms</b>	SBA Form 1919 and SBA Form 1920 are required for every loan (other SBA Forms may be required)
<b>Collateral</b>	Lenders are not required to take collateral for loans up to \$25,000. For loans over \$25,000, up to and including \$350,000, the lender must follow the collateral policies and procedures that it has established and implemented for its similarly-sized non-SBA-guaranteed commercial loans, but at a minimum the lender must take a first lien on assets financed with loan proceeds and lender must take a lien on all of the applicant's fixed assets including real estate. Lender is not required to take a lien against applicant's real estate when the equity is less than 25% of the fair market value. The lender may limit the lien taken against real estate to the loan amount.
<b>Credit decision</b>	By the SBA. Qualified lenders may be granted delegated authority (PLP) to make credit decisions without SBA review.

### ***SBA Express Loan***

The SBA Express program features an accelerated turnaround time for SBA review. The SBA will respond to your application within 36 hours.

<b>Maximum loan amount</b>	\$350,000
<b>Maximum SBA guarantee %</b>	50%
<b>Interest rate</b>	Lenders and borrowers can negotiate the interest rate, but it may not exceed the SBA maximum
<b>Eligibility decision</b>	Made by the lender
<b>Revolving lines of credit</b>	Up to seven years with maturity extensions permitted at the outset

<b>SBA turnaround time</b>	Within 36 hours
<b>Forms</b>	Lender primarily uses own forms and procedures, plus SBA Form 1919
<b>Collateral</b>	Lenders are not required to take collateral for loans up to \$25,000. May use their existing collateral policy for loans over \$25,000 up to \$350,000.
<b>Credit decision</b>	Made by the lender
<b>Purchase</b>	Lender may request expedited SBA purchase on small loans or in situations where liquidation may be delayed

### *Export Express Loan*

The Export Express program provides exporters and lenders a streamlined method to obtain SBA-backed financing for loans and lines of credit up to \$500,000. Lenders use their own credit decision process and loan documentation. The SBA will respond to your application within 24 hours.

<b>Maximum loan amount</b>	\$500,000
<b>Maximum SBA guarantee %</b>	90% for loans of \$350,000 or less, 75% for loans more than \$350,000
<b>Interest</b>	Lenders and borrowers can negotiate the interest rate, but it may not exceed the SBA maximum
<b>Eligibility decision</b>	Made by the lender
<b>Revolving lines of credit</b>	May not exceed seven years
<b>SBA response time</b>	24 hours
<b>Forms</b>	Lender primarily uses own forms and procedures, plus SBA Form 1919, Borrower Information
<b>Collateral</b>	Lenders follow collateral policies and procedures that the lender has established for its non-SBA-guaranteed loans
<b>Credit decision</b>	Made by the lender

SBA Senior International Credit Officers can provide in-house training to help lenders become proficient in the Export Express program. For more information on this training or for application assistance, contact your local [U.S. Export Assistance Center](#).

## ***Export Working Capital Loan***

Export Working Capital loans are for businesses that can generate export sales and need additional working capital to support these sales. Lenders review and approve applications and submit the request to the U.S. Export Assistance Center location servicing the exporter's region.

<b>Maximum loan amount</b>	\$5 million
<b>Maximum SBA guarantee %</b>	90%
<b>Interest</b>	Lenders and borrowers negotiate the interest rate and there is no SBA maximum interest rate limit.
<b>Eligibility decision</b>	By the SBA. Qualified lenders may be granted authorization to make eligibility decisions.
<b>Revolving lines of credit</b>	Terms of 12 months or less
<b>SBA turnaround time</b>	5-10 business days
<b>Forms</b>	SBA-EIB 84-1, plus attachments
<b>Collateral</b>	Export-related inventory and receivable generated by export sales financed with EWCP funds. The SBA also requires personal guarantee of owners with 20% or more ownership.
<b>Credit decision</b>	Made by the SBA

## ***International Trade Loan***

International Trade loans provide long-term financing to businesses that are expanding because of growing export sales, or that have been adversely affected by imports and need to modernize to meet foreign competition.

Businesses can use International Trade loans for fixed assets for construction, building, real estate equipment, and for working capital for export transactions.

<b>Maximum loan amount</b>	\$5 million
<b>Maximum SBA guarantee %</b>	90%
<b>Interest rate</b>	Lenders and borrowers can negotiate the interest rate, but it may not exceed the SBA maximum

<b>Eligibility decision</b>	Made by the SBA
<b>Loan maturity</b>	10 years for permanent working capital, up to 10 years for machinery and equipment or the useful life of the equipment (not to exceed 15 years), and up to 25 years for real estate.
<b>SBA turnaround time</b>	5-10 business days
<b>Credit decision</b>	Made by the SBA

#### Preferred Lenders

Under the Preferred Lenders program, the SBA gives select lenders more authority to process, close, service, and liquidate SBA-guaranteed loans. An SBA field office serving the area in which a lender's office is located can nominate the lender, or the lender can ask a field office to consider it for preferred status.

In making its decision, the SBA considers whether the lender:

- Has the ability to process, close, service and liquidate loans
- Has the ability to develop and analyze complete loan packages
- Has satisfactory SBA performance

### ***Veterans Advantage Loan***

Veteran-owned businesses are one of the fastest-growing and significant segments of the U.S. economy. SBA loans made to veteran-owned small businesses come with reduced fees.

To be eligible to receive fee relief through the Veterans Advantage program, a small business must be at least 51 percent owned and controlled by someone in one of the following groups:

- Honorably discharged veterans
- Active Duty Military service member eligible for the military's Transition Assistance Program (TAP)
- Service-disabled veterans
- Reservists and/or active National Guard members
- Current spouse of any veteran, active duty service member, Reservist, National Guard member, or the widowed spouse of a service member who died while in service or as a result of a service-connected disability

## ***CAPLines Loans***

CAPLines is an umbrella program that helps small businesses meet their short-term and cyclical working-capital needs. It features four lines.

- **Seasonal CAPLine:** Borrowers must use the loan proceeds solely to finance the seasonal increases of accounts receivable and inventory — or in some cases associated increased labor costs. It can be revolving or non-revolving.
- **Contract CAPLine:** This line finances the direct labor and material cost associated with performing assignable contracts. It can be revolving or non-revolving.
- **Builders CAPLine:** This line can finance direct labor and material costs for a small general contractor or builder constructing or renovating commercial or residential buildings. The building project serves as the collateral, and loans can be revolving or non-revolving.
- **Working CAPLine:** This is an asset-based revolving line of credit for businesses unable to meet credit standards associated with long-term credit. It provides financing for cyclical growth, recurring and/or short-term needs. Repayment comes from converting short-term assets into cash, which is remitted to the lender. Businesses continually draw from this line of credit, based on existing assets, and repay as their cash cycle dictates. This line generally is used by businesses that provide credit to other businesses. Because these loans require continual servicing and monitoring of collateral, additional fees may be charged by the lender.

With the exception of the Builders CAPLine, the maximum maturity on a CAPLine loan is 10 years. Builders CAPLine loans must not exceed five years. Holders of at least 20 percent ownership in the applicant business are required to guarantee the loan.