

MAJOR U.S. SMALL BUSINESS ADMINISTRATION LOAN PROGRAMS

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FINANCE PROGRAMS	7(a) LOAN PROGRAM and LENDER ADVANTAGE	PATRIOT EXPRESS	SBA Express and EXPORT EXPRESS	CERTIFIED DEVELOPMENT COMPANY LOANS (504)
WHO CAN APPLY	For profit businesses that qualify as small under SBA size standards and cannot borrow on reasonable terms from conventional lenders without SBA help. Small/Rural Lender Advantage Initiative Simplified program open only to lenders with an average of less than 20 loans a year for the past three years.	Veterans, Reservists and National Guard members and their spouses	Same as regular 7(a) Business Loans	Same as regular 7(a) Loans, except that the size standard is normally higher: maximum net worth of \$8.5 million and maximum average net income after Federal income taxes over the preceding two completed fiscal years of \$3.0 million.
PURPOSE	Fixed assets, working capital or to finance start-ups or the purchase of an existing business; some debt payment allowed.		Same as regular 7(a) Business Loans, but with more limited same bank debt refinancing. Lines of Credit are offered.	Fixed assets only - no working capital or debt refinancing. SBA takes a lien position behind that of the private sector lender.
SBA GUARANTY	85% of loans up to \$150,000. Loans over \$150,000 receive a 75% guaranty.		50% of loan or the standard 7(a) limits for loans made for exporting	SBA guarantees 100% of the debenture amount which generally ranges from 30-40% of the project.
MAXIMUM LOAN AMOUNT	\$2,000,000 Lender Advantage \$350,000	\$500,000	\$350,000 or \$250,000 for Export Express	The maximum amount of CDC/504 participation in a single project is \$1.5 Million (\$2 Million for projects that meet certain Public Policy Goals and \$4 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	Prime plus 2-1/4% for maturities under 7 years. Prime plus 2-3/4% for maturities of 7 years or longer. Loans of less than \$50,000 may add an additional 1% and loans under \$25,000 may add an additional 2%.		Bank Prime plus 6.5% for loans of \$50,000 or less, Bank Prime plus 4.5% for larger loans	Based on current market rate for 5 and 10 year Treasury Bonds.
GUARANTY FEES	2% on guaranteed portion of loans up to \$150,000; 3% on the guaranteed portion of loans more than \$150,000, up to and including \$700,000; and 3.5% on the guaranteed portion of loans more than \$700,000, plus .25% of the guaranteed amount in excess of \$1 million. Lender may retain 25% of the fee for any loan of \$150,000 or less. A much lower fee of ¼% is charged for lines of credit up to one year but there is no fee sharing. Note that the lower the guaranty, the lower the fees will be.		Up front fees of about 2.25% of the net debenture proceeds plus annual servicing and guaranty fees of generally less than 1% based on unpaid debenture balance. The first mortgage lender's loan may have additional fees associated with it.	
SPECIAL FEATURES AND/OR REQUIREMENTS	SBA generally requires that the owner(s) inject 1/4 to 1/3 of the total assets needed to start a new business. Use SBA Form 4 and 41 for 7(a) and 2301 series for Lender Advantage	No borrower SBA application required. Loan credit authority delegated to the lender, but lenders must be pre-approved by SBA. Lender uses SBA 1920SX series of forms and borrower uses 1919 Borrower Information form .		Must intend to create or retain one job for every \$50,000 of the debenture <u>or</u> meet one of 14 Community or Public Policy Goals. A minimum down payment of 10% is required.

KEY SBA LENDER INFORMATION

Maximum Guaranty Percentages

7(a) & Patriot Express loans of \$150,000 or less.....	85%	SBAExpress (\$350,000 maximum).....	50%
7(a) & Patriot Express loans greater than \$150,000.....	75%	SBA Export Express (\$250,000 max)....	85/75%
Patriot Express Loan Limit is \$500,000		Export Working Capital Program.....	90%

Guaranty Fees on loans exceeding 12 months in maturity. The Lender pays the fee and may pass it on to the borrower after first disbursement.

	<i>Based on SBA Guaranteed Portion</i>	<i>Based on Total Loan with Standard SBA Guarantees</i>	<i>Based on Total Loan with Express</i>
Loans of \$150,000 or less (Lender may keep 25% of fee)	2.00%	1.70%	1.0%
Loans between \$150,001 & \$700,000	3.00%	2.25%	1.5%
Loans greater than \$700,000	3.50%	2.625%	n.a.
Loans with a guaranteed portion in excess of \$1 million add an additional .25% guaranty fee on that portion.			

The guaranty fee on a \$2,000,000 SBA loan is now \$53,750.

Guaranty Fees on loans up to 12 months in maturity is only .25%, but must be submitted with the application

Lender Annual Service Fee: .55% of the outstanding balance of the SBA guaranteed portion of the loan.

The fee is prorated and submitted monthly with your 1502 report (See Colson Services below for contact information).

This fee may not be passed on to the borrower.

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 Prime you may also 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:

Your base rate + 4.5% for loans over \$50,000
Your base rate + 6.5% for loans of \$50,000 or less
 Regular 7(a) rates apply to Patriot Express Loans

Richmond District Office Lender Relations Staff

	Telephone	Individual Fax	e-mail addresses
Scott Dailey	(804) 771-2400 ext 141	(202) 481-0900	scott.dailey@sba.gov
Peggy FaJohn	(804) 771-2400 ext 126	(202) 481-4891	margaret.fajohn@sba.gov
Andy Keller	(804) 771-2400 ext 128	(202) 481-4093	leroy.keller@sba.gov
Ford Scott	(804) 771-2400 ext 153	(202) 481-4172	ford.scott@sba.gov

Key Lender Web Sites

SBA Lender Homepage	http://www.sba.gov/banking
Loan Processing Policy SOP 50-10 5	http://www.sba.gov/aboutsba/sbaprograms/elending/reg/index.html
SBAExpress, PLP & CommunityExpress Loan Forms	http://www.sba.gov/aboutsba/sbaprograms/elending/sipc/forms/index.html
NAICS codes and Size Standards	http://www.sba.gov/size/indextableofsize.html#naics_determine
Franchise Registry Homepage	www.franchiseregistry.com/registry/
U.S. Citizenship & Immigration Services	http://uscis.gov/graphics/formsfee/forms/g-845.htm
Exporting	www.export.gov

Important Addresses

SBAExpress and PLP Loan Processing Center
 6501 Sylvan Road, Suite 111
 Citrus Heights, CA 95610
(916) 735-1200 Fax (916) 735-0640

7(a) Loan Processing Center
 262 Black Gold Blvd.
 Hazard, Kentucky 41701
 Fax (606) 435-2400 or (916) 930-2180
7aloanprogram@sba.gov
 Questions? Call the DO or (606) 436-0801x229

Guaranty Fee Payments
 Pay online using www.pay.gov

Little Rock Commercial Loan Servicing Center
 2120 Riverfront Dr., Suite100
 Little Rock, AR 72202
 (501) 324-5871 or (800) 664-8564
 Fax (202) 292-3878
lpsc.servicing@sba.gov
Express Purchase
 Fax (202) 292-3877
lpsc.purchasing@sba.gov

Colson Services
 2 Hanson Place
 7th Floor, Brooklyn, NY 11111
 (877) 245-6159
<mailto:info@colsonservices.com>
www.colsonservices.com

National Guaranty Purchase Center
 1145 Herndon Parkway
 Herndon, VA 20170
 (703) 487-9283
 Toll Free (877) 488-4364
 Fax (202) 481-4674 loanresolution@sba.gov
www.sba.gov/banking/ngpc/
 Hours: Monday to Friday
 7:30 am to 6:30 pm

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 Small Business Administration
 400 N. 8th Street, Suite 1150
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