



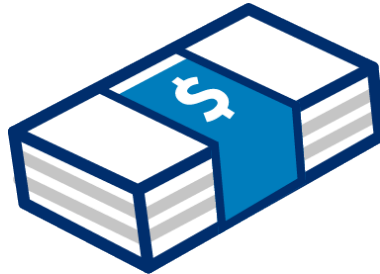
U.S. Small Business  
Administration

**The SBA works to ignite change and spark action  
so small businesses can confidently**



**START • GROW • EXPAND • RECOVER**

# Need Access to Capital? The SBA Can Help



- 1.** SBA-backed Loans
- 2.** Private Investors
- 3.** R&D Awarded Funds
- 4.** Surety Bonds



# 1. Need a Business Loan to Start, Grow, or Expand?

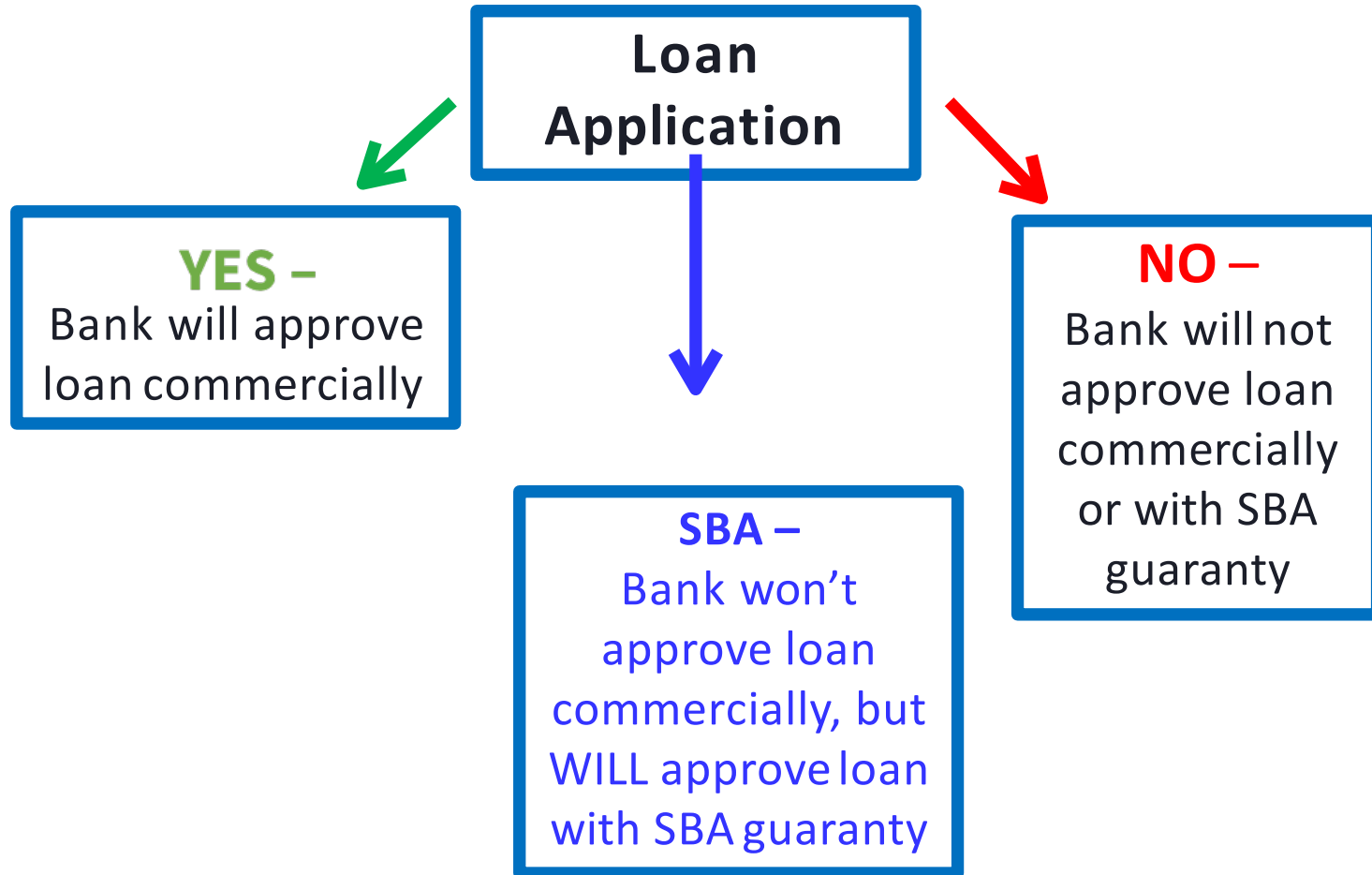


The SBA works with approved lenders to offer **microloans** and **SBA-backed loans** with:

- Competitive terms
- Lower down payments
- Flexible overhead requirements
- Counseling and education



# When Does the Bank Use SBA?



# What the SBA Looks For

- Ability to repay the loan from cash flow
- Owners who are of good character
- Feasible business plan
- Management expertise
- Adequate equity invested in business
- Sufficient collateral to meet SBA standards

# What is a “Small Business”?



SBA/Federal government defines a Small Business by # of employees or gross sales based on NAICS code (North American Industry Classification System)

## Alternate Size Standard

- Net worth up to \$15M
- Two-year average net income up to \$5M (after taxes)

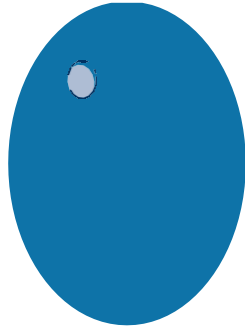
# SBA Does **NOT** Offer Grants

## **OPTIONS TO EXPLORE**

- <https://www.grants.gov/> for federal grants
- <https://dced.pa.gov/program/> for state grants
- Check with your local municipality, county or IDA or EDC
- Explore privately-funded grants, competitions, etc. and vet them with an SBA Resource Partner

**If it sounds too good to be true, it may very well be!**

# SBA Loan Programs



504 Loan



7(a) Loan



Microloan



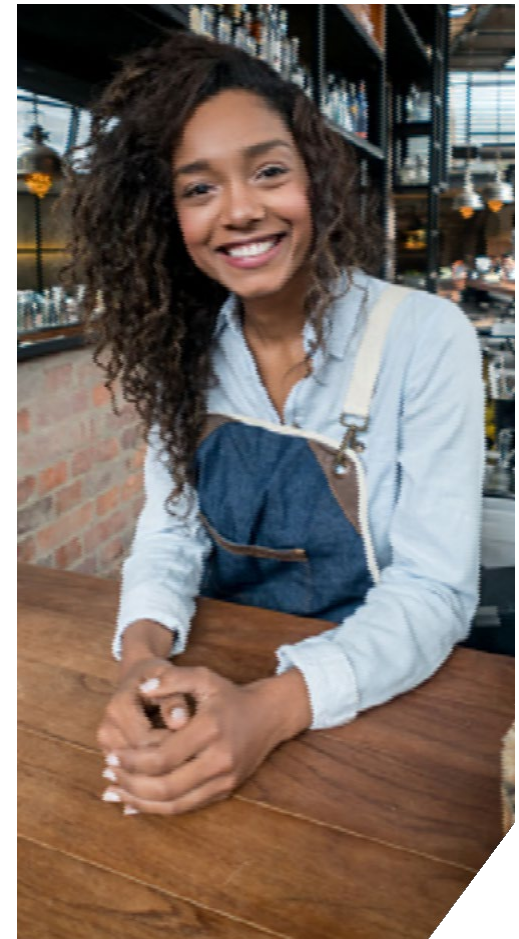
Community  
Advantage  
Loans



International  
Trade Loans

# Benefits for Borrowers

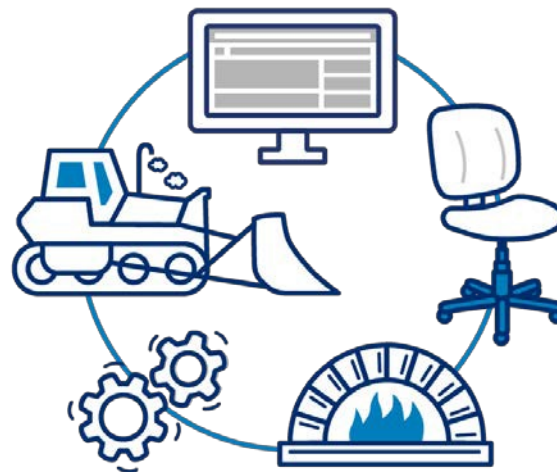
- Reasonable term loans for which you may not otherwise qualify
- Smaller equity requirements mean lower down payments
- Longer repayment terms mean lower monthly payments and increased cash flow
- Start-ups and riskier businesses may be financed
- Affordable interest rates
- No “Balloon Notes” permitted
- No prepayment penalty on most loans
- Inadequate collateral: not sole reason for denial



# How Can an SBA-backed Loan Help You?



- Launch, grow, or repair a start-up
- Start or purchase a small business
- Access revolving credit or working capital for day-to-day expenses



- Purchase, renovate, or expand facilities
- Purchase inventory, equipment, or machinery
- Purchase land or real estate
- Export a product or service

# 7(a) Loan Program

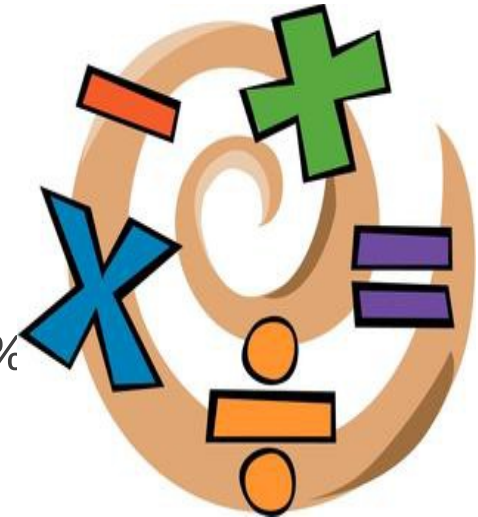


- Provides funds for a variety of uses
- Federally-guaranteed loans up to \$5 Million
- No guaranty fee for loans of \$350k or less in FY2022
- Competitive loan terms
- Term loans or revolving lines of credit



# SBA 7(a) Loan Program: Interest Rates

- ❖ Negotiated between Borrower & Lender
- ❖ Maximum interest rate comprised of BASE plus SPREAD
  - Base Rate: WSJ Prime Rate
  - < 7 Year Term: Base + 2.25%
  - $\geq$  7 Year Term: Base + 2.75%
- ❖ Optional higher rate for smaller loans
  - Loan between \$25K - \$50K: Additional 1%
  - Loan  $\leq$  \$25K: Additional 2%
- ❖ Prepayment penalty
  - Maturity  $\geq$  15 years and loan prepaid during first three years



# SBA 7(a) Loan Program

## SBA Guaranty Fees

Maturity less than 1 year

- Zero for loans of \$350k or less
- 0.25% for loans greater than \$350k

Maturity greater than 1 year

- 350K or less = zero
- \$350K - \$700K = 2.77%
- \$700K - \$1M = 3.27%
- \$1M - \$5M = 3.5% up to \$1M, plus 3.75% of the guaranteed portion over \$1M

Fees can be financed into the loan

# SBA Express Loan Program

- Streamlined program, not for complicated transactions
- Maximum loan amount \$500,000
- Term Loans or lines of credit
- Guaranty Fee Waived for Veteran-Owned Businesses
- Loans under \$50k: Prime + 6.5% interest
- Loans over \$50k: Prime + 4.5% interest



## 7(a) Loan Program: International Trade Loans



- Helps small businesses start or expand globally
- Offers three specific loan programs:
  - International Trade Loan Program
  - Export Working Capital Program
  - Export Express (maximum \$500,000)



# 7(a) Loan Program: Community Advantage

- Originated and serviced by mission-based lenders
- Focus on underserved markets
- Term loans up to \$250,000
- Interest rate maximum is Prime + 6%



# SBA 504 Loan Program

## Long-term Financing Program

- Land and/or Building
- Machinery and/or Equipment
- Infrastructure Improvements

## Typical Project Structure

- Lender – 50%
- CDC – 40%
- Borrower – 10%

## Job Creation Requirement



# Microloan Program



Assists small business owners in need of small dollar loans.

Provides business based training and technical assistance for start-up, newly-established, existing, and growing businesses.

Apply Through Microlender:

- Assigned geographic area to service
- Microlenders Have Approval Authority
- [List of lenders \(sba.gov\)](https://www.sba.gov)

## Small Dollar Loans

- \$500- \$50,000

## Eligibility

- Same Criteria as 7(a)

## Maturity

- Not to Exceed 7 Years

## Interest Rates

- Negotiated with Microlender



# Lender Match

**1.**

**Describe  
Your Needs**



**2.**

**Interested Lenders  
Reply Within 2 Days**



**3.**

**Talk to  
Lenders**



**4.**

**Apply for a  
Loan**



Find an SBA-approved lender that's right for you by visiting

**[SBA.gov/lendermatch](https://www.sba.gov/lendermatch)**

# Increase Your Chances of Securing a Loan

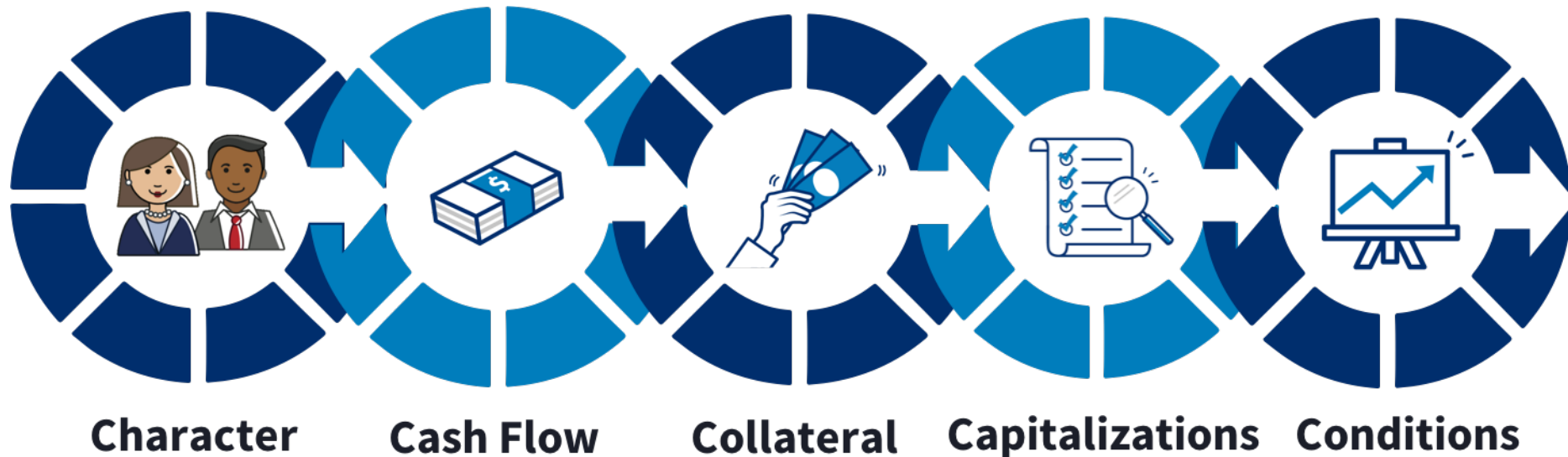
Lenders want to know they're making a smart choice by giving you a loan. Your local SBA Resource Partners can help you develop your:



- **Business plan**
- **Expense sheets**
- **Financial statements**
- **Financial projections**

# Determine Your Creditworthiness

Your local SBA District Office or SBA Resource Partners can work with you to determine your creditworthiness using the **5 Cs Model**:



# The SBA Resource Partner Network

Access the right tools at the right time—wherever you are.



Approved and  
funded by the SBA



1,400+ partner  
offices nationwide



Find local resource  
partners near you at  
[SBA.gov/local-assistance](https://www.sba.gov/local-assistance)



# Which Resource Partners are Right for You?

## SCORE Business Mentors

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If you are an aspiring entrepreneur or small business owner looking for:

- **Mentorship and advice** from volunteer real-world business executives—in-person or virtually
  - **Free online workshops** and webinars
- 



[www.score.org](http://www.score.org)

# Which Resource Partners are Right for You?

## Small Business Development Centers

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If you're an aspiring entrepreneur or small business owner looking for:

- **Free business consulting** to get started or grow
- **Low-cost training** on crucial topics



<https://americassbdc.org/>



**Small Business Development Centers**  
*Helping businesses start, grow, and prosper.*

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[www.pasbdc.org](http://www.pasbdc.org)

# Which Resource Partners are Right for You?

## Women's Business Centers

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If you are an aspiring or current woman small business owner looking for:

- **Comprehensive training and counseling** on a variety of topics in several languages
- **Business advice** to level the playing field against unique challenges or obstacles



[assetspa.org/programs/womens-business-center/](https://assetspa.org/programs/womens-business-center/)



CHATHAM UNIVERSITY  
**CENTER FOR WOMEN'S  
ENTREPRENEURSHIP**

[chatham.edu/cwe/](https://chatham.edu/cwe/)

# Which Resource Partners are Right for You?

## Veteran's Business Outreach Centers

If you are a veteran of the US military or a military spouse in need of:

- **Counseling or transition assistance**
- **Training and advice** to start or grow your business, or purchase a new business
- **Resource referrals**



<https://midatlanticvbo.com/>  
VBOC @ University of Maryland  
Steven Colella, Director  
[scolella@umd.edu](mailto:scolella@umd.edu) / 301-955-6328

## 2. Need Funding from Private Investors?



Secure capital from investors partnered with the SBA through **Small Business Investment Companies (SBICs)**.



# Grow Your Operations with SBICs

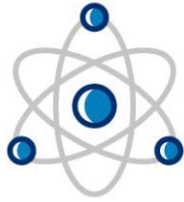


If you have strong financial performance and promising prospects, you can work with SBICs to grow and expand through:

- **Connections & expertise** in your industry
- **Business investment** through debt, equity, or a combination of both

Learn more and find an SBIC using our online directory at  
[SBA.gov/funding-programs/investment-capital](https://www.sba.gov/funding-programs/investment-capital)

### 3. Need Funding for Research & Development?



Open the door to early stage capital through **Small Business Innovation Research (SBIR)** and **Small Business Technology Transfer (STTR)**.



# Fund Innovations with the SBIR-STTR Program

If you are a technology-focused small business looking to fund research and development or prototyping operations, you may qualify for **federal grants** from 11 federal agencies participating in the SBIR-STTR program.

## Key areas for funding include:

- Artificial intelligence
- Nanomaterials
- Clean energy
- Water filtration
- Education technology
- Wearable technology



Learn more and determine if SBIR-STTR is right for you at

[SBIR.gov](https://www.sbir.gov)

## 4. Need to be Bonded to Bid on a Contract?



The **SBA Surety Bond Program** guarantees surety bonds from select providers so more small businesses can qualify for and win work.

*The Small Business Administration (SBA) guarantees bid, performance, and payment surety bonds issued by certain surety companies.*

**FIND AUTHORIZED AGENTS**

# Stay Connected

## SBA Links & Contacts



Subscribe to SBA's e-newsletter: [www.sba.gov/updates](http://www.sba.gov/updates)



Follow the SBA on Twitter: [@SBA\\_EasternPA](https://twitter.com/SBA_EasternPA)



Follow the SBA on Instagram: [www.instagram.com/sbagov/](https://www.instagram.com/sbagov/)



Email: [phila\\_do@sba.gov](mailto:phila_do@sba.gov)



Call: 610-382-3062



Visit: [www.sba.gov/pa](http://www.sba.gov/pa)



U.S. Small Business  
Administration

# How are we doing?

**Please take a minute to let us know**

[www.sba.gov/feedback](http://www.sba.gov/feedback)





U.S. Small Business  
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U.S. Small Business Administration

# T.H.R.I.V.E.

*Thrive, Hope, Rise, Innovate, Venture, Elevate*

## Emerging Leaders Reimagined

Join the entrepreneurs shaping the future

**ACCELERATE GROWTH** **EXPLORE FINANCING** **DIVERSIFY MARKETS** **EXPAND NETWORKING**

T.H.R.I.V.E. Emerging Leaders Reimagined program assists small business owners in growing their business, creating jobs, and strengthening their communities. This innovative program is an **intense 6-month course** that includes in-person, self-paced, instruction, mentoring, and class room time. Providing **small businesses the opportunity to work with experienced professionals at no financial cost.**

### Target your business for expansion

T.H.R.I.V.E. Emerging Leaders Reimagined training is specifically designed to accelerate growth and support the expansion of your business. The program provides participants with the opportunity to work with a network of experienced subject matter experts in core business topics and other micro-sessions customized for the small business's unique needs. The reimagined format removes the one-size fits all model in exchange for engagement, problem-solving, and peer-to-peer interaction within the cohorts. Additionally, the new format promotes an eco-system of business connections among business peers, government leaders, and the financial community.

### Qualifications:

The Emerging Leaders Initiative is open to small business owners and executives that:

- Have been in business for at least 3 years.
- Have annual revenues of at least \$250,000.
- Have at least one employee other than self.

**To register visit [www.sbathrive.com](http://www.sbathrive.com)**

or call your local U.S. Small Business Administration office.

### Program Impact\*

**70%** reported increase in revenue

**\$600 M** in government contracts

**1,100** net new jobs created FTEs **\$112M** in new financing

**65%** added or retained employees

**OVER \$159M** in institutional and corporate contracts

**83%** reported giving money or time charitably

\* Participants are surveyed once a year for 3 years after completing the program. Information cited is for calendar year 2018