



U.S. Small Business  
Administration

A long, straight asphalt road stretches from the foreground towards a horizon under a dramatic sky. The sun is low on the horizon, creating a golden glow and casting long, soft shadows. The sky is filled with wispy clouds, some tinged with pink and orange. In the distance, there are rolling hills or mountains. The overall mood is one of hope, journey, and contemplation.

**What's your  
Why?**

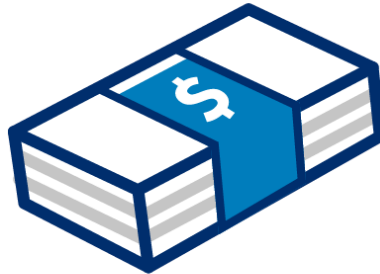


**The SBA works to ignite change and spark action  
so small businesses can confidently**



**START • GROW • EXPAND •  
RECOVER**

# Need Access to Capital? The SBA Can Help



# Need Funding for Your Business? 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



# How SBA Loans Work

You build a business plan and loan package with the help of SBA resource partners



You apply with lender of your choosing (typically who you already bank with)



If lender chooses SBA, lender submits to SBA for approval



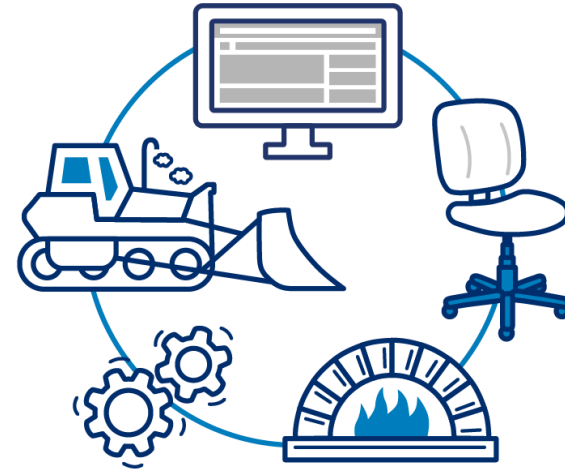
Lender chooses loan program to use (SBA or traditional)

- SBA **does not** provide the loans (with the exception of disaster loans)...we **back** the loans!
- SBA **does not** have grants for small businesses
- SBA **does not** set the interest rates
- SBA cannot force a lender to approve a loan for a small business...this is entirely up to the lender!

# How Can an SBA-backed Loan Help You?



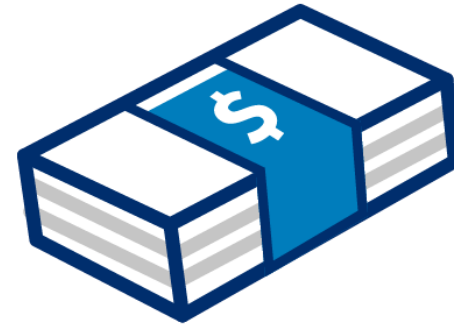
- Launch, grow, or repair a start-up
- Start or purchase a small business
- Access revolving credit or working capital for day-to-day expenses



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

# Benefits of an SBA Loan

- Longer financing – up to 25 years
- Interest rate max based on Wall Street Prime Rate
- Lower Monthly payments
- No renewals
- No balloon payments
- Can transfer the loan to a new owner



# SBA Guaranty and Fees

- **Loans \$150,000 or less** - 85% SBA guaranty
  - Guaranty Fee = 2% of the guaranteed portion
- **Loans \$150,000 - \$699,999** - 75% SBA guaranty
  - Guaranty Fee = 3% of the guaranteed portion
- **Loans \$700,000 - \$1 million**
  - Guaranty fee = 3.5% of guaranteed portion
- **Loans over \$1 million**
  - Guaranty fee = 3.5% of guaranteed portion + 3.75 of guaranteed portion over \$1 million
- **Term under 1 year**
  - Guaranty fee = .25% of guaranteed portion
- **Maximum SBA guaranty amount** = \$3.75 million
  - \$5 million max gross amount

# Loans to Rural or HUBZone Businesses

- **For loans \$150,000 or less:**
  - Guaranty Fee = .67% of the guaranteed portion
  - Check HUBZone Map at [www.sba.gov/hubzone](http://www.sba.gov/hubzone)
  - Rural is defined as any area that has a population below 50,000



# Guaranty Fee Example

\$200,000 SBA loan

75% of 200,000 = \$150,000 (guaranteed portion)

3% of \$150,000 = \$4,500 (guaranty fee)

The guaranty fee is a one-time fee that can be paid up front or rolled into the loan.

# Eligibility Factors

- Type of business
- Size of business
  - Businesses are considered small if they fall under their NAICS code threshold
- Purpose of loan
- Located in the U.S.
- **Must be for profit**
- Must demonstrate repayment ability



# Businesses NOT Eligible

- Real estate investment
- Lending activities
- Pyramid sales plans i.e. Amway
- Long-term real estate rental
- Illegal or gambling activities
- Non-profit businesses
- Businesses that limit membership for any reason other than capacity
- Franchises (some)
  - (check eligibility at [www.franchiseregistry.com](http://www.franchiseregistry.com))



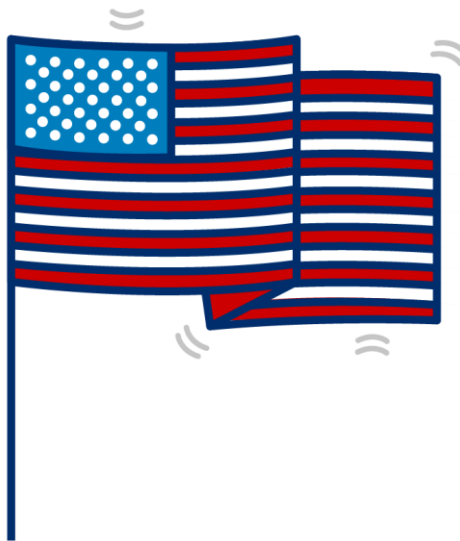
# Terms & Conditions

- Maximum term of loan
  - Working capital – 10 years
  - Real estate, machinery, equipment, furniture, & fixtures – 25 years
  - If purchasing an asset, the term will not exceed the life of the asset
- Interest rates
  - Varies depending on each loan program
  - Lender determines interest rate based on risk

# Veterans Advantage

For Veterans, Transitioning Military, and & Military Spouses

- Same as 7(a) program, but guaranty fee is cut in half.
  - Loans under \$150,000 are still a non-cost guaranty
- Veterans Advantage Express:
  - Maximum: \$350,000
  - Same interest rates as SBA Express
  - No guaranty fee!



# Loan Options for Start-Ups

- Community Advantage - \$250,000 maximum
  - Interest rate: Prime + 6%
  - Line of credit prohibited
- Microloan Program - \$50,000 maximum
  - Minimum: \$500
  - Average loan under this program: \$13,000
  - Max term: 6 years (typically 40 months)
  - Interest rate: based on 5 year treasury rate
    - Over \$10,000: Treasury rate + 7.75%
    - Under \$10,000: Treasury rate +8.5%



# 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**

# Lender Match

**1.**

**Describe  
Your Needs**



**2.**

**Interested Lenders  
Reply Within 2 Days**



**3.**

**Talk to  
Lenders**



**4.**

**Apply for a  
Loan**

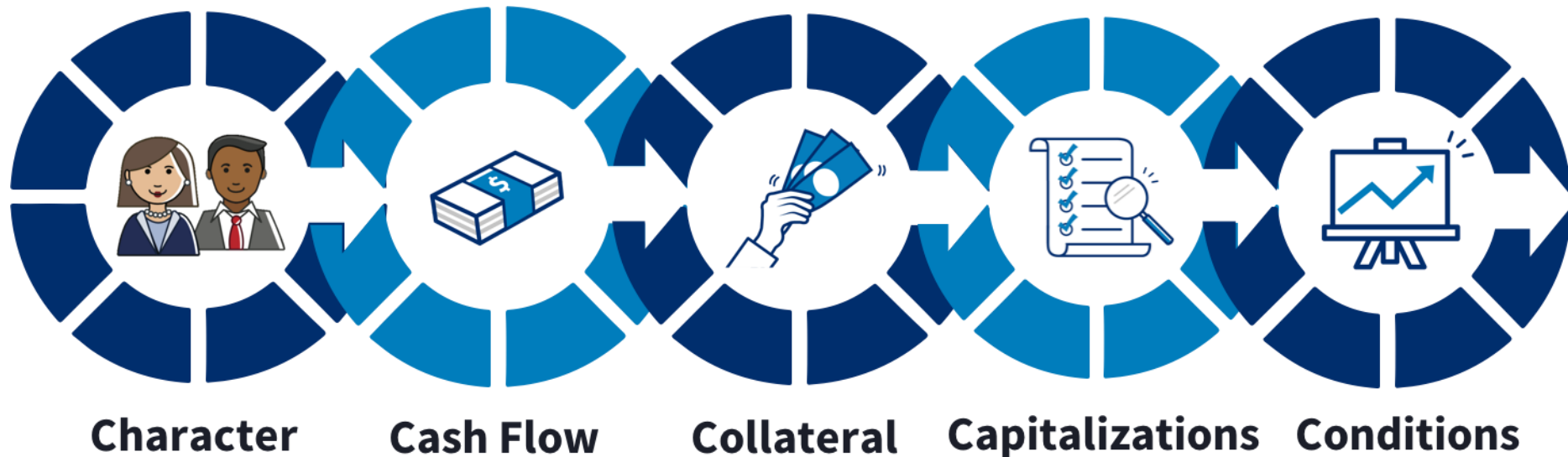


Find an SBA-approved lender that's right for you by visiting

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

# Determine Your Creditworthiness

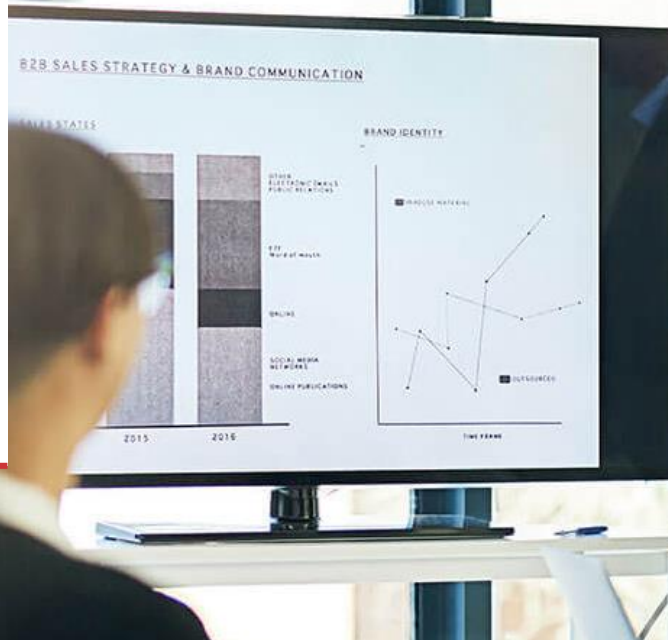
Your local SBA District Office or SBA Resource Partners can work with you to determine your creditworthiness using the **5 Cs Model**:



## 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

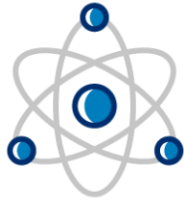


If you have strong financial performance and promising prospects, you can work with SBICs to grow and expand through:

- **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)

# Reimagine Your Potential as You Branch Out



# Interested in International Trade or Exporting?



Nearly 96 percent of consumers live outside the U.S.



Two-thirds of the world's purchasing power is in foreign countries



Evaluate your readiness & learn more by visiting [SBA.gov/exporting](https://www.sba.gov/exporting)



# The SBA Can Help You Go Global

1



## Get Counseling & Training

- U.S. Export Assistance Centers (USEACs)
- Small Business Development Centers (SBDCs)

2



## Find Buyers Internationally

- State Trade Expansion Program (STEP)

3



## Get Export Funding

- Export Express Loans
- Export Working Capital Loans
- International Trade Loans

# Who Can Help?

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If you are looking to go global with international trade, tap a USEAC to:

- **Explore** the process of exporting
  - **Get help** with export financing and transactions
- 

## US Export Assistance Centers

Regional Manager, Export Solutions Group

Local Office Name

Address Line 1

Address Line 2

City, State, Zip

Phone Number

Website

# Triumph Over Adversity

RECOVER

# Disasters Happen. Prepare Your Business.



An estimated 25% of businesses don't reopen after a major disaster.\*



Businesses can protect themselves with an up-to-date plan of action.



Prepare your business & learn more by visiting [SBA.gov/prepare](https://www.sba.gov/prepare)



\*According to the Institute for Business and Home Safety (IBHS).

# SBA Disaster Assistance Loans

Each year, the SBA provides billions of dollars in low-interest, long-term **disaster loans** to help small businesses, homeowners, and renters recover from declared disasters. Loans may cover:



**Real  
Estate**



**Personal  
Property**



**Economic  
Injury**



**Machinery  
&  
Equipment**



**Inventory**



**Active Duty  
Military**



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Administration

# Questions?

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