



U.S. Small Business
Administration

Welcome

Get Funded, Stay Funded

A Crash Course on SBA Loans

Our Mission: Supporting Small Businesses for 70 years



Plan
your business



Launch
your business



Manage
your business



Grow
your business

Created in 1953, the U.S. Small Business Administration celebrated its 70th Anniversary this past August.

How We Help

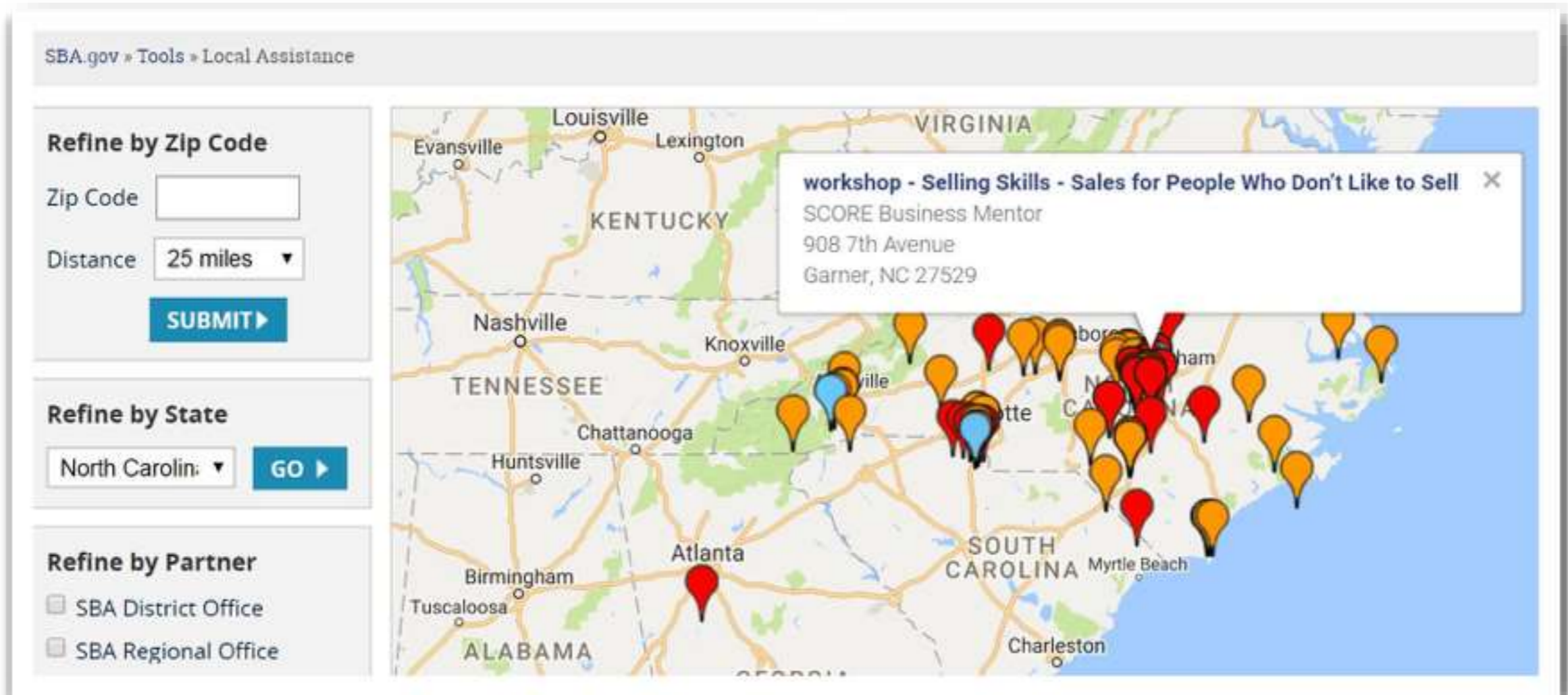
The SBA is the go-to resource for access to capital, government contracting, advocacy and tangible expertise for every stage of a business' lifecycle.

- Capital
- Government Contracting
- Counseling & Training
- Small Business Advocacy

Plus:

- Disaster Recovery & Resilience (individuals and businesses)

SBA Website Features



14,000 Local Resource Partners nationwide provide thousands of hours of free one-on-one long-term advising and workshops for small business owners.

SBA Website Features

September 2016

Sep 13	Small Business Certification Workshops Tuesday, September 13, 2016 - 9:00am EDT SBA Sponsored North Carolina District Office 6302 Fairview Rd Charlotte, NC 28210	Sep 13	The Best Business to Start Now! Veterans Business Outreach Center Tuesday, September 13, 2016 - 8:00pm EDT Resource Partner Fayetteville State University 1200 Murphree Rd. Fayetteville, NC
Sep 14	Increase your Sales Capacity Small Business Development Center Wednesday, September 14, 2016 - 9:00am EDT Resource Partner UNC Charlotte FORTAL Bldg, Ste 242 9319 Robert D Snyder Drive Charlotte, NC	Sep 15	workshop - How to Identify Profitable Customers, Size Your Market & ... SCORE Business Mentor Thursday, September 15, 2016 - 8:30pm EDT Resource Partner Southeast Regional Library-Garner 908 7th Avenue Garner, NC 27529 Registration Required
Sep 16	Boots to Business: Reboot Wilmington Sep 16 Friday, September 16, 2016 - 8:00am EDT SBA Sponsored UNC-W Center for Innovation and Entrepreneurship 803 S. College Road Wilmington, NC 28401 Registration Required	Sep 16	Boots to Business - Reboot Friday, September 16, 2016 - 8:00am EDT SBA Participating UNCW Center for Innovation & Entrepreneurship 803 S College Road, Suite G Wilmington, NC Registration Required
Sep 19	workshop - Selling Skills - Sales for People Who Don't Like to Sell SCORE Business Mentor Monday, September 19, 2016 - 8:30pm EDT Resource Partner Northeast Regional Library-Raleigh 14401 Green Elm Lane Raleigh, NC 27614 Registration Required	Sep 20	Cyber Security Women's Business Center Tuesday, September 20, 2016 - 9:15am EDT Resource Partner Technocom 3330 Monroe Rd. Charlotte, NC 28205 Registration Required
Sep 20	ABCs of Starting a Business Women's Business Center Tuesday, September 20, 2016 - 8:00pm EDT Resource Partner Triangle South Enterprise Center 600 S. Magnolia Avenue Dunn, NC 28334 Registration Required	Sep 20	So You Think You Want to Start a Business. Veterans Business Outreach Center Tuesday, September 20, 2016 - 6:00pm EDT Resource Partner Fayetteville State University 1200 Murphree Road, Fayetteville, NC

SBA's website is mobile-friendly. It ties together our nation-wide collaboration of Resource Partner locations, workshops and resources with SBA trainings, newsletters and mapping features.

Connecting Small Business to SBA Lenders

Lender Match helps you find lenders.

Lender Match (formerly LINC) is a free online referral tool that connects small businesses with participating SBA-approved lenders.

[FIND LENDERS](#)



How it works.

1



Describe your needs

Answer a few questions about your business in as little as five minutes.

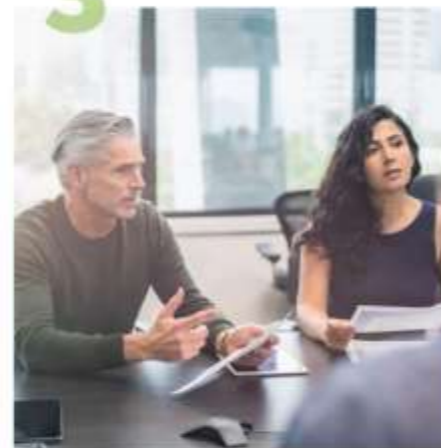
2



Get matched in 2 days

Receive an email with contact information of lenders who express interest in your loan.

3



Talk to lenders

Compare rates, terms, fees, and more.

4



Apply for a loan

Submit loan applications and paperwork. You're well on your way to securing a business loan!

Lender Match is an online referral tool to connect small business borrowers with SBA lenders.

SBA's Three C's & Disaster Assistance



Counseling



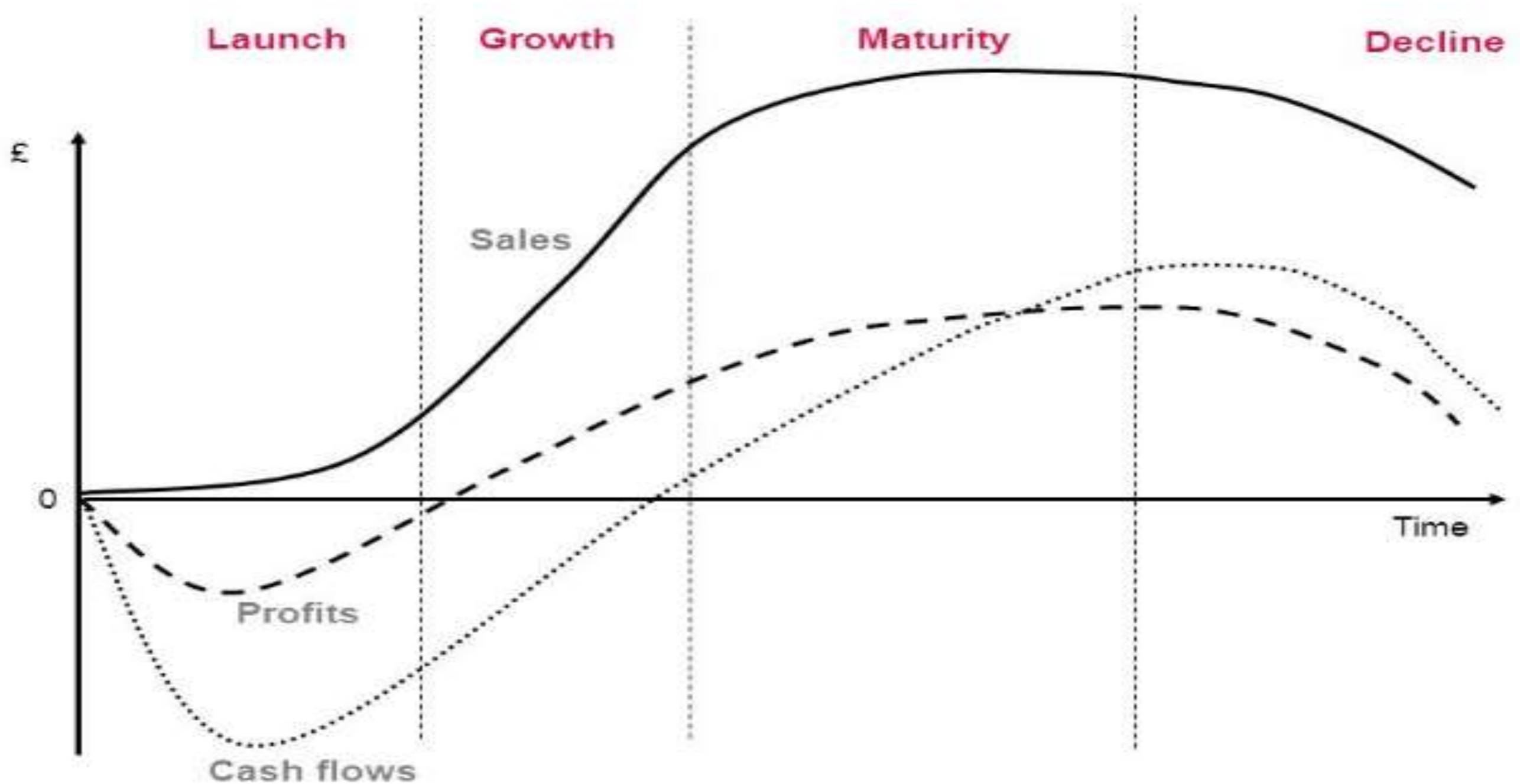
Contracting

Capital



Disaster Assistance

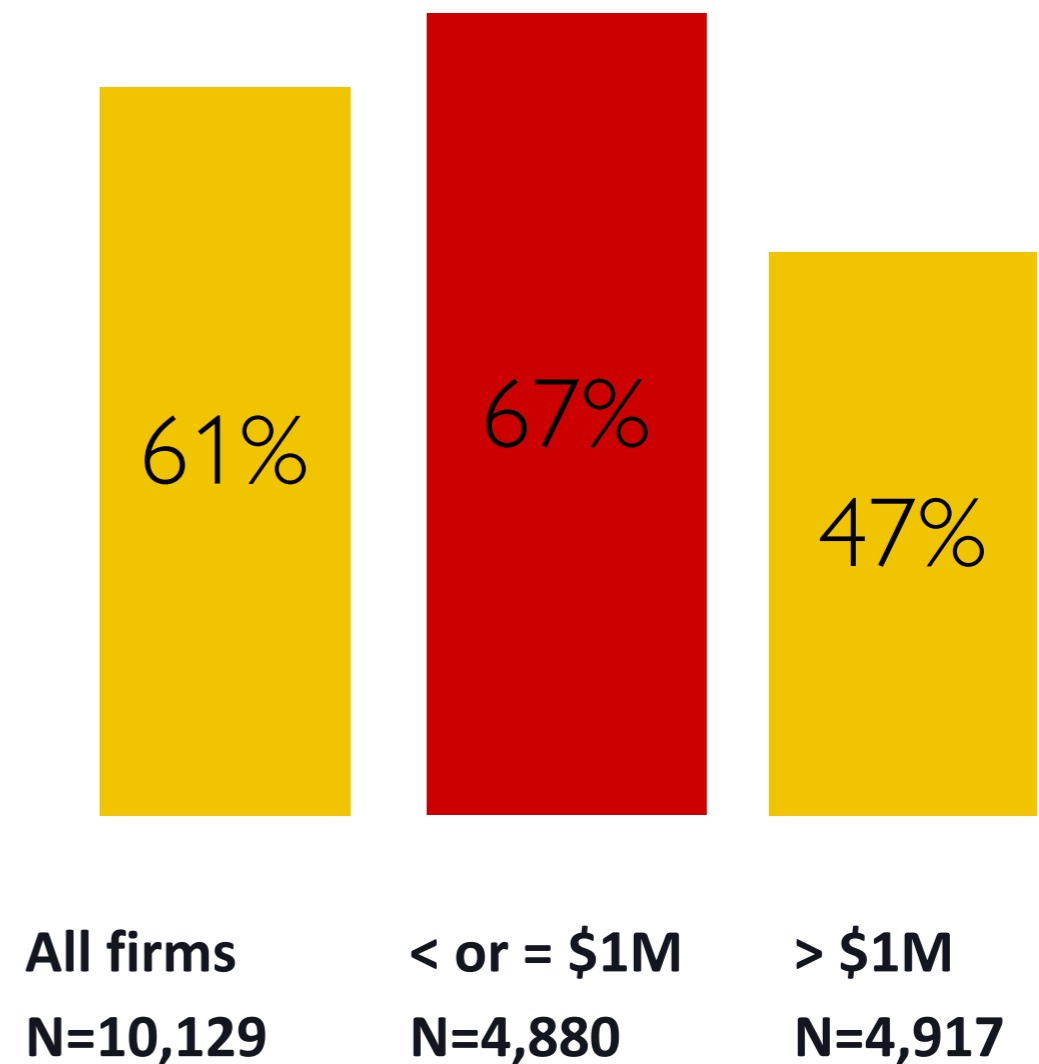
CASH FLOW & FIRM LIFE CYCLE



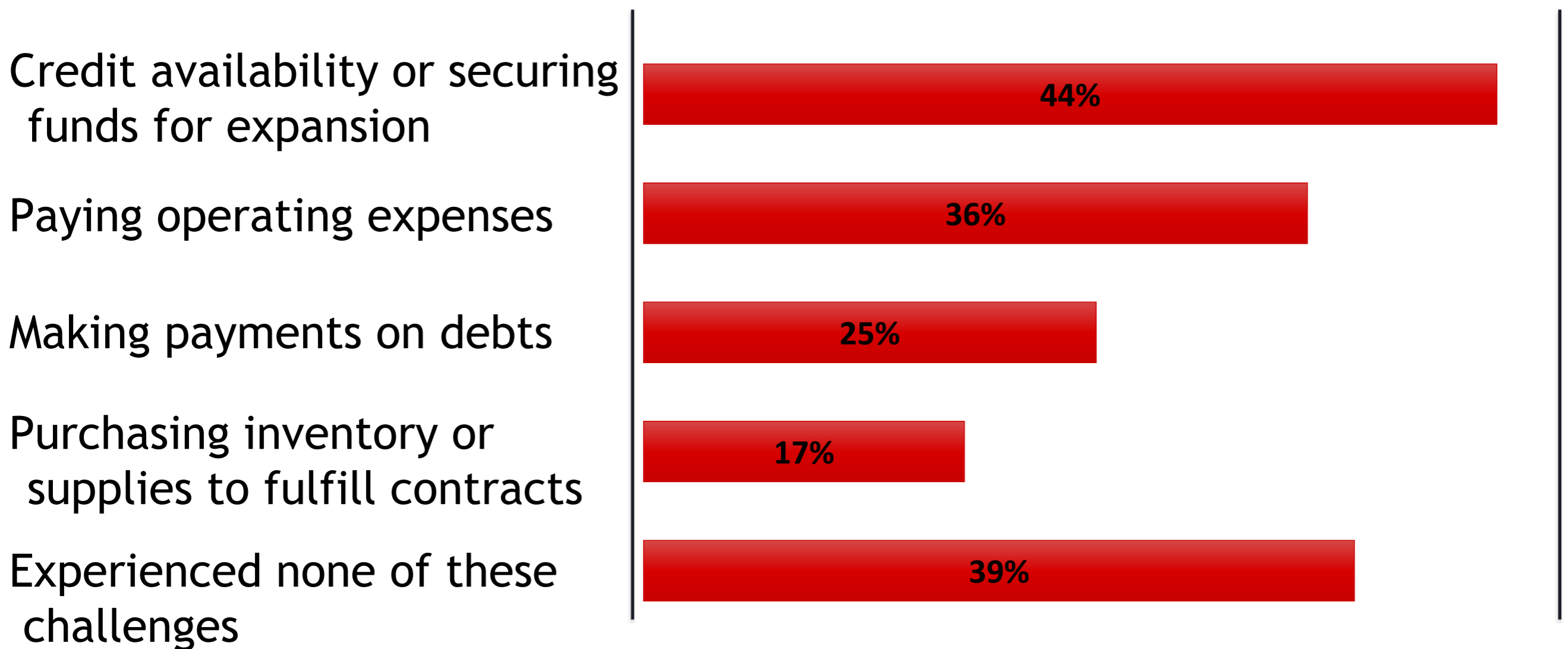
Share of firms with financial challenges by revenue size of firm

61% of employer firms have faced financial challenges

Source: Small Business Credit Survey, Federal Reserve Banks
(% of employer firms)



Types of financial challenges



Source: Small Business Credit Survey, Federal Reserve Banks / N=10,129 (% of employer firms)

Actions taken in response to financial challenges

Used personal funds

76%

Took out additional debt

44%

Made a late payment

44%

Cut staff, hours, and/or downsized operations

43%

Negotiated terms with lender

21%

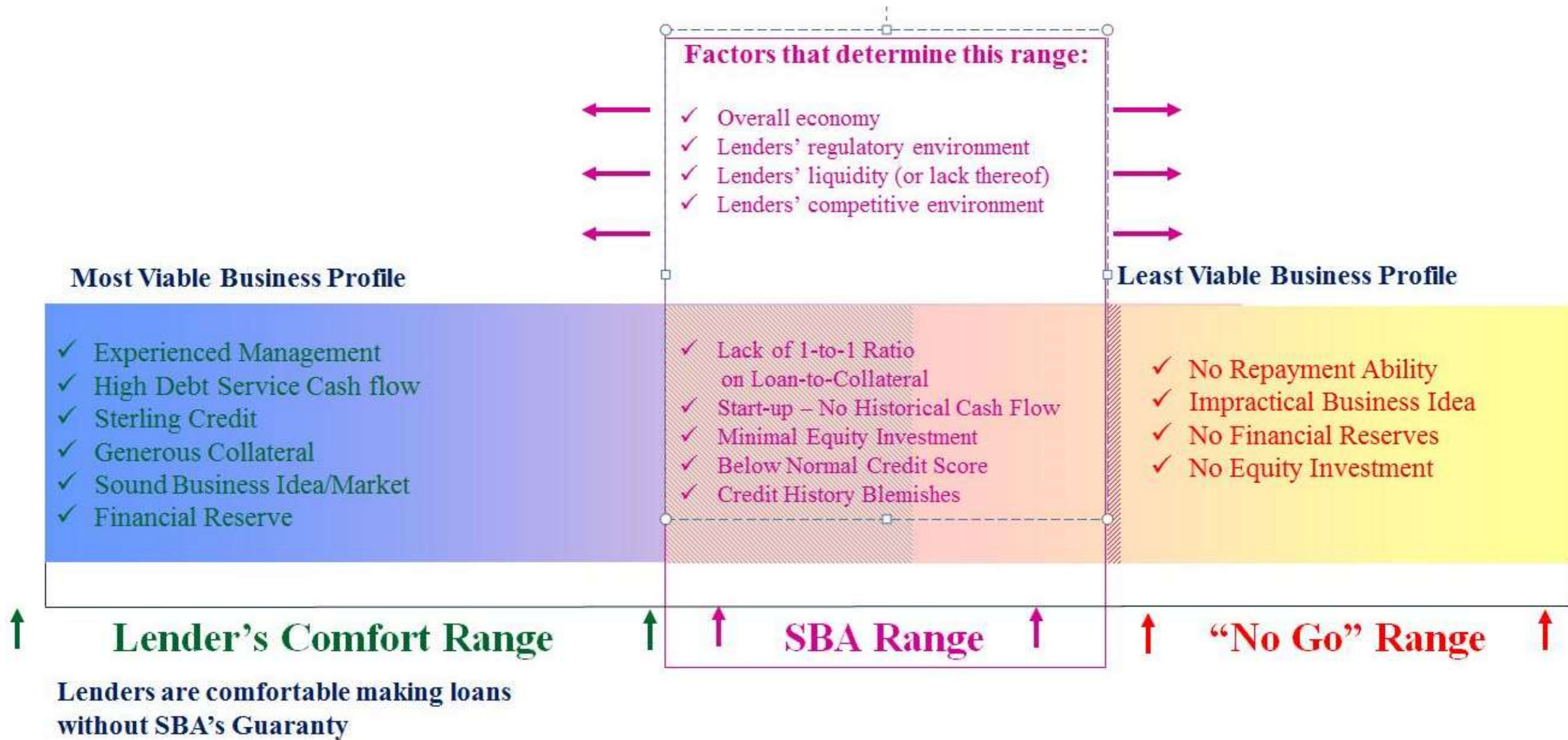
Did not pay and debt went to collections

8%

76%

of firms with financial challenges used personal funds.

SBA Range for Lenders



Program	Maximum Loan Amount	Percent of Guaranty	Eligible Use of Proceeds	Maturity	Maximum Interest Rates	Guaranty Fees (Based on Gtd. Portion)	Who Qualifies	Benefits to Borrowers
7(a) Loans	\$5 million	85% guaranty for loans of \$150,000 or less; 75% guaranty for loans greater than \$150,000 (up to \$3.75M maximum guaranty)	Term Loan. Expansion/renovation; new construction, purchase land or buildings; purchase equipment, fixtures, leasehold improvements; working capital; refinance debt for compelling reasons; for inventory or starting or purchasing a business. Only owner-occupied commercial real estate is eligible.	Depends on ability to repay. Generally, working capital not to exceed 10 years; Equipment, fixtures, or furniture not to exceed 10 years. Except term may be up to 15 years if IRS asset class useful life supports longer term. Lender must document in credit memo justification of any term that exceeds 10 years; real estate up to 25 years. No balloons or demand features permitted.	Variable Rates: \$50,000 or less Prime + 6.5% \$50,001 - \$250,000 P + 6% \$250,001—\$350,000 P + 4.5% \$350,001 and greater P + 3% Fixed Rate: https://catran.sba.gov/ftadistapps/ftawiki/index.cfm . See Downloads and Resources section.	Maturities exceeding 12 months: Guaranty Fee: \$500K or less = 0%; \$500,001 to \$700K=0.55% \$700,001 to \$1M = 1.05% \$1,000,001 to \$5M= 3.5% up to \$1M, plus 3.75% of gtd. portion over \$1M. Loans 12 months or less \$500K or less = 0% \$500,001 or greater = 0.25% Ongoing lender fee: \$500K or less = 0% \$500,001 to \$5M = 0.55%.	Must be a for-profit business & meet SBA size standards; show good character, credit, management, and ability to repay. Must be an eligible type of business. Prepayment penalty for loans with maturities of 15 years or more if prepaid during first 3 years. (5% year 1, 3% year 2 and 1% year 3)	Long-term financing; Improved cash flow; Fixed maturity; No balloons; No prepayment penalty (under 15 years)
7(a) Small Loans Is any 7(a) loan \$350,000 and under, except the Community Advantage and Express loans	\$350,000	Same as 7(a) Loans	Same as 7(a) Loans	Same as 7(a) Loans	Same as 7(a) Loans	Same as 7(a) Loans	Same as 7(a) Plus, all loan applications will be credit scored by SBA. If not an acceptable score, the loan can be submitted via full standard 7(a) or Express.	Same as 7(a) Loans
SBA Express	\$500,000	50% regardless of loan amount.	May be used for revolving lines of credit (must have term-out period not less than draw period) or for a term loan.	LOC: Max period Revolver = 60 mo.; Max term out period = 60 mo. For total of 10 yrs. Term loan: same as 7(a)	Same as 7(a) Loans	Same as 7(a) Loans	Same as 7(a) Loans	Fast turnaround; Streamlined process; Easy-to-use line of credit
SBA Loans to Veterans	Processed under SBA Express so same as above limit of \$500,000	Same as SBA Express	Same as SBA Express	Same as SBA Express	Same as 7(a) Loans	For all SBA Express loans made to veteran-owned small businesses, upfront guaranty fee will be zero. Lenders must document in loan file with veteran eligibility using the documentation to Notice 5000-818641 .	Same as 7(a) plus, small business must be owned and controlled (51%+) by one or more of the following groups: veteran, active-duty military in TAP, reservist or National Guard member or a spouse of any of these groups, or a widowed spouse of a service member or veteran who died during service, or a service-connected disability.	Same as SBA Express and no upfront guaranty fee.
CapLines: 1. Working Capital; 2. Contract; 3. Seasonal; and 4. Builders	\$5 million	Same as 7(a) Loans	Finance seasonal and/or short-term working capital needs; cost to perform contract; construction costs; advances against existing inventory and receivables; consolidation of short-term debts. May be revolving.	Up to 10 years, except Builder's CAPLine, which is 5 years	Same as 7(a) Loans	Same as 7(a) Loans	Same as 7(a) Loans. Plus, all lenders must execute Form 750	1. Working Capital - (LOC) Revolving Line of Credit 2. Contract - can finance all costs (excluding profit). 3. Seasonal - Seasonal working capital needs. 4. Builder - Finances direct costs in building a commercial or residential structure
Community Advantage Mission-focused lenders only. Expires 9/30/2024	\$350,000	Same as 7(a) Loans	Same as 7(a) Loans. Approved CA Lenders by SBA may make revolving lines of credit.	Same as 7(a) Loans	Can be fixed or variable Variable: \$50,000 or less Prime + 6.5% \$50,001 - \$250K P + 6 \$250,001— \$350K P + 4.5%	Same as 7(a) Loans \$350,000 or less = 0%	Same as 7(a) Small Loans	Same as 7(a) Plus lenders must be CDFIs, CDCs, micro-lender or SBA Intermediary Lenders targeting underserved market.

Program	Maximum Loan Amount	Percent of Guaranty	Eligible Use of Proceeds	Maturity	Maximum Interest Rates	Guaranty Fees (Based on Gtd. Portion)	Who Qualifies	Benefits to Borrowers
International Trade	\$5 million	90% guaranty (up to \$4.5M maximum guaranty) (Up to \$4M maximum guaranty for working capital)	Term loan for permanent working capital, equipment, facilities, land and buildings, business acquisition, and debt Refinance that will improve applicant's competitive position.	Up to 25 years.	Same as 7(a) Loans	Same as 7(a) Loans	Same as 7(a) Loans. Plus, engaged or preparing to engage in international trade or adversely affected by competition from imports.	Long term financing to allow small business to compete more effectively in the international marketplace
Export Working Capital Program	\$5 million	90% guaranty (up to \$4.5M maximum guaranty)	Short-term, working-capital loans for direct and indirect exporters. May be transaction based (purchase order) or asset-based. Can also support standby letters of credit.	Up to 3 years	No SBA maximum interest rate cap, but SBA monitors for reasonableness	Based on Maturity : 12 months or less: 0.25%; Between 13 months and 24 months: 0.525%; Between 25 months and 36 months: 0.80%. All based on guaranteed portion.	Same as 7(a) Loans. Plus, need short-term working capital for direct or indirect exporting.	Additional working capital to increase export sales without disrupting domestic financing and business plan. Lower collateral requirements (25%) for Standby Letters of Credit.
Export Express	\$500,000. This amount is NOT reduced by any SBA Express Loan amounts.	90% guaranty for loans of \$350,000 or less; 75% guaranty for loans greater than \$350,000	Same as SBA Express plus standby letters of credit. No requirement for term out period	LOC: Max = 84 mo.; Term loan: same as 7(a)	Same as 7(a) Loans	Same as 7(a) Loans	Applicant must demonstrate that loan will enable them to enter a new, or expand in an existing export market. Business must have generally been in operation for at least 12 months (though not necessarily in exporting).	Fast turnaround; Streamlined process; Easy-to-use line of credit Loan can be for direct or indirect exporting. Lower collateral requirements (25%) for Standby Letters of Credit.
504 Loans Provided through Certified Development Companies (CDCs) which are licensed by SBA	504 CDC maximum amount ranges from \$5 million to \$5.5 million, depending on type of business or project.	Project costs financed as follows: CDC: up to 40% Lender: 50% (Non-guaranteed) Equity: 10% plus additional 5% if new business and/or 5% if special use property	Long-term, fixed-asset loans; Lender (non-guaranteed) financing secured by first lien on project assets. CDC loan provided from SBA 100% guaranteed debenture sold to investors at fixed rate secured by 2nd lien.	CDC Loan: 10, 20 or 25-year term fixed interest rate. Lender Loan: Unguaranteed financing may have a shorter term. May be fixed or adjustable interest rate	Fixed rate on 504 Loan established when the debenture backed loan is sold. Declining prepayment penalty for 1/2 of term.	Upfront guaranty fee = 0% (0 basis points). Annual service fee = 0.4405% (44.05 basis points) of outstanding balance of loan.	Alternative Size Standard: For-profit businesses that do not exceed \$15M in tangible net worth, and do not have an average two full fiscal year net income over \$5M. Owner Occupied 51% for existing building or 60% for new construction of a building.	Low down payment - equity (10,15 or 20 percent) (The equity contribution may be borrowed as long as it is not from an SBA loan) Fees can be financed; SBA /CDC Portion: Long-term fixed rate Full amortization and No balloons
504 Loan Refinancing Program (Permanent) Provided through Certified Development Companies (CDCs) which are licensed by SBA See Notice 5000-808830 for details.	Same as 504	Loan to Value (LTV) with Qualified Debt(s) 90%. For projects that include "Eligible Business Expenses (EBE)" the LTV is 85%. EBE may not exceed 20% of the fixed asset appraisal value	Refinancing of Qualified Debt (85% of the proceeds must have been originally used to acquire an Eligible Fixed Asset), and "Other Secured Debt" secured by the Eligible Fix Asset. May include the financing of eligible Business Operating Expenses as part of the refinancing.	Same as 504	Same as 504	Same as 504 above except annual service fee = 0.4405% plus 0.0145%, for a total of 0.4405% (44.05 basis points plus 1.54 basis points for a total of 45.59 basis points) of outstanding balance of loan.	Was incurred not less than 6 months prior to date of application. Has been secured by Eligible Fixed Asset(s) for at least six months; May include debt subject to a federal guarantee under certain conditions. Cannot be a 504 Third Party Loan which is part of an existing SBA 504 project.	Business can access equity in their commercial real estate for business operating expenses or refinance property on reasonable terms. Fees can be financed; SBA /CDC Portion: Long-term fixed rate Full amortization and No balloons
Non-7(a) Loans Microloans Loans through nonprofit lending organizations; technical assistance provided.	\$50,000	Not applicable	Working capital, supplies, machinery & equipment, fixtures; etc. Intermediary may chose to refinance debt. Cannot be used for real estate.	Shortest term possible, not to exceed 7 years	Negotiable with intermediary. Up to 7.75% for loans over \$10,000 or 8.5% for loans under \$10,000 above intermediary cost of funds.	No guaranty fee	Same as 7(a) Loans	Direct loans from nonprofit intermediary lenders; Fixed-rate financing; Very small loan amounts; Technical assistance available

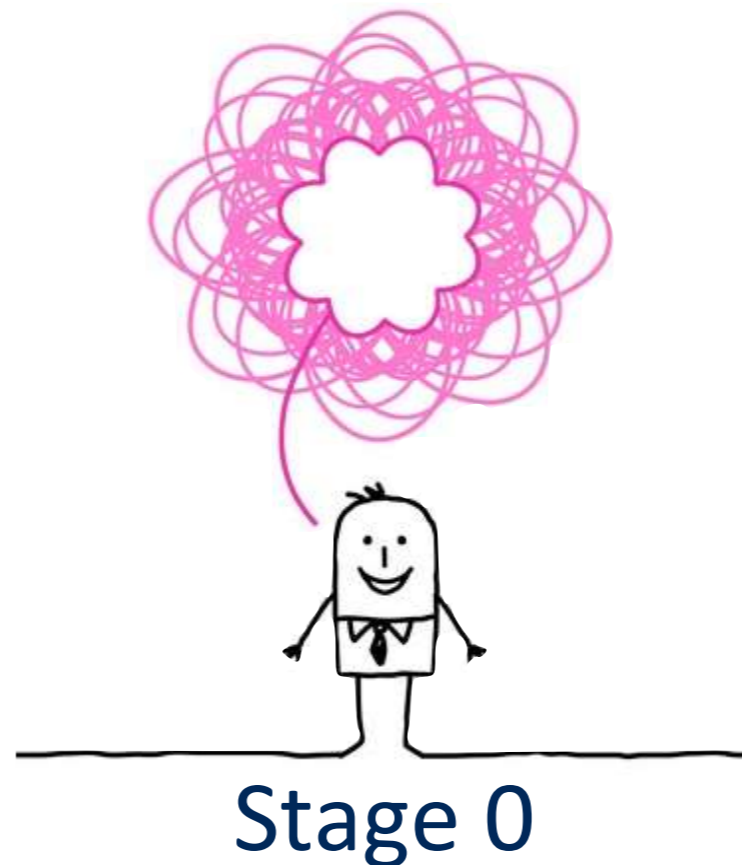
WORKING CAPITAL LOANS

The 7(a) Loan Program is the SBA's primary business loan program.

It is the Agency's most frequently used financial assistance program for small businesses because of its flexibility in loan structure, variety of loan proceed uses and availability.

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- **SBA Loan Programs have broad eligibility requirements and credit criteria to accommodate a wide range of financing needs.**

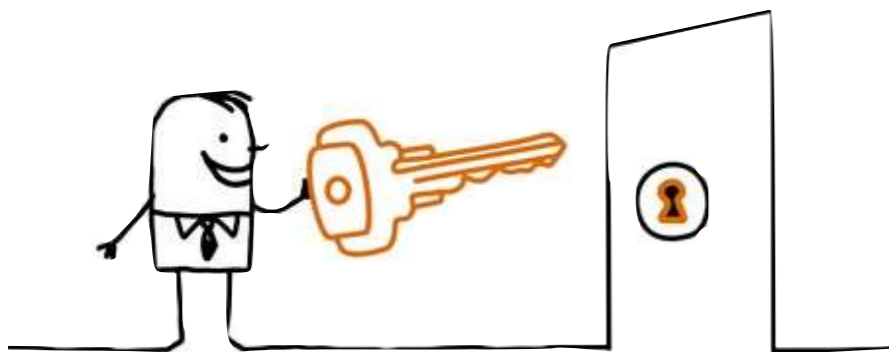
You Can Use a 7(a) Loan in Almost Any Stage of Your Business



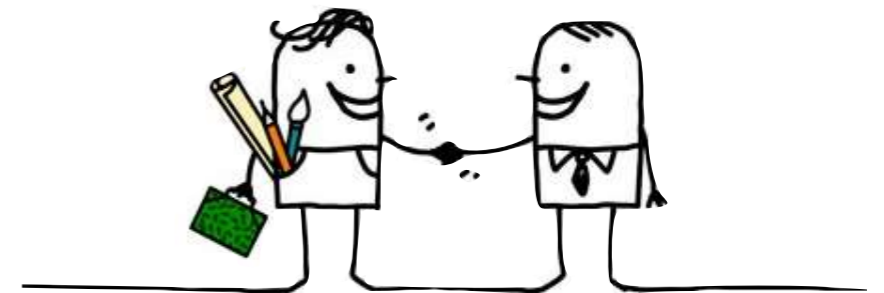
Stage 0
The Contemplative/Aspirational Stage

You Can Use a 7(a) Loan in Almost Any Stage of Your Business

Acquire machinery, equipment,
furniture, fixtures and leasehold
improvements



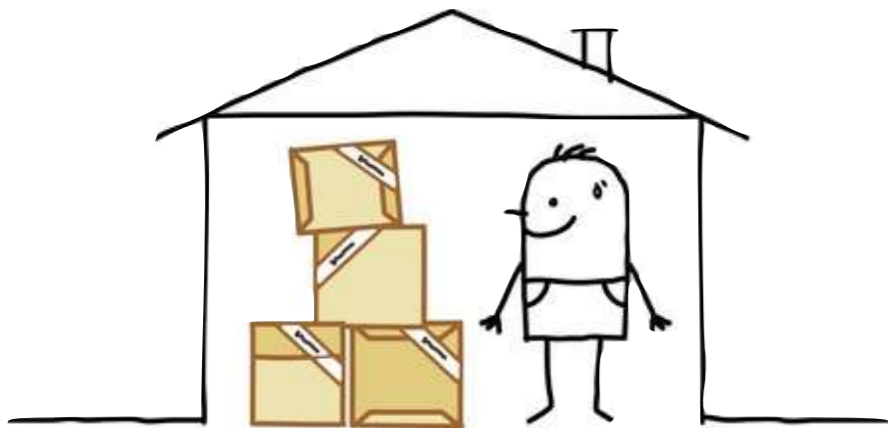
Acquire businesses



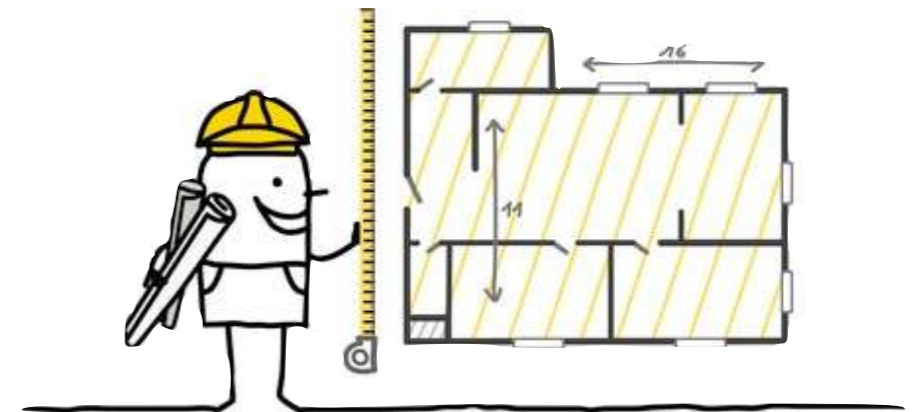
Start-up
businesses

Stage 1
The Entry Stage

You Can Use a 7(a) Loan in Almost Any Stage of Your Business



Finance receivables and
augment working capital



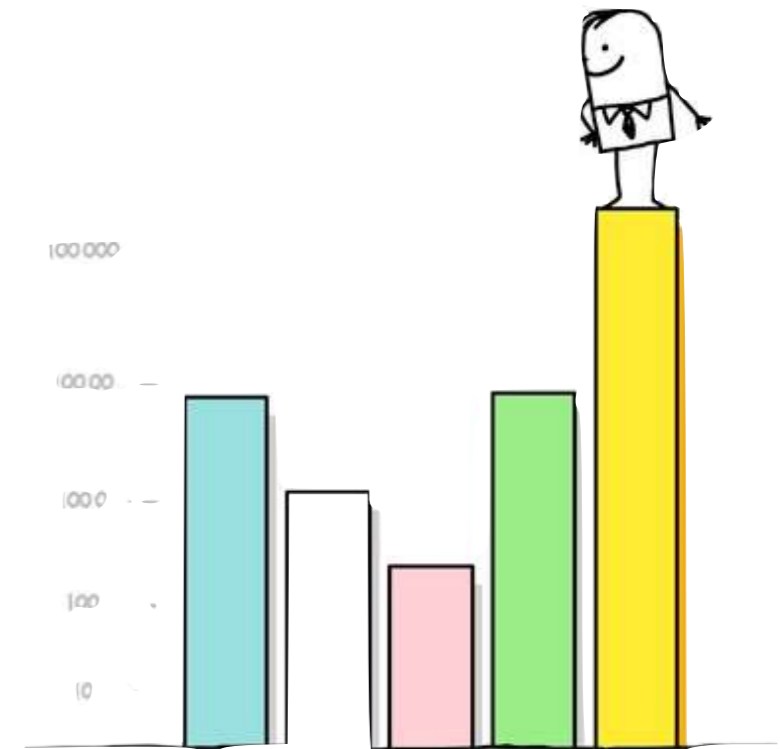
Expand or renovate
facilities

Stage 2
The Growth Stage

You Can Use a 7(a) Loan in Almost Any Stage of Your Business



Finance seasonal
lines of credit



Stage 3
The Crucible Stage

You Can Use a 7(a) Loan in Almost Any Stage of Your Business



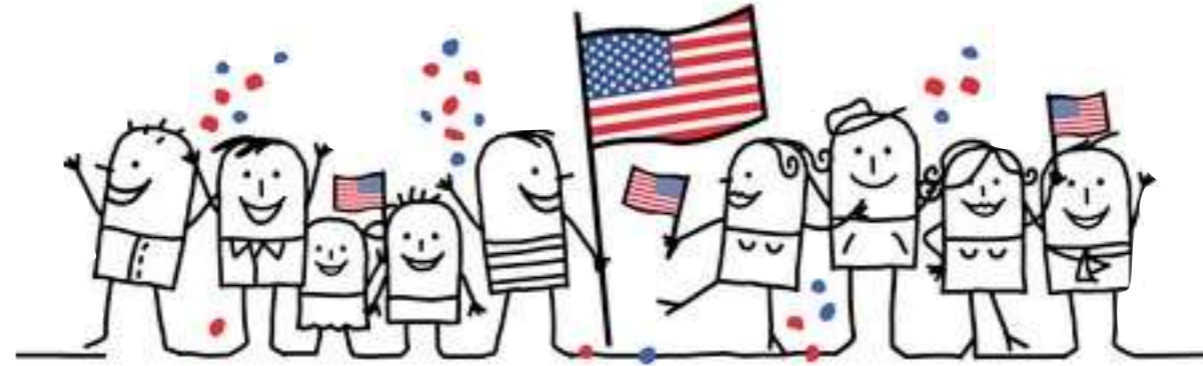
Construct commercial
buildings



Refinance existing debt
under certain conditions

Stage 4

The Cruise Stage



Special Purpose 7(a) Loan Programs

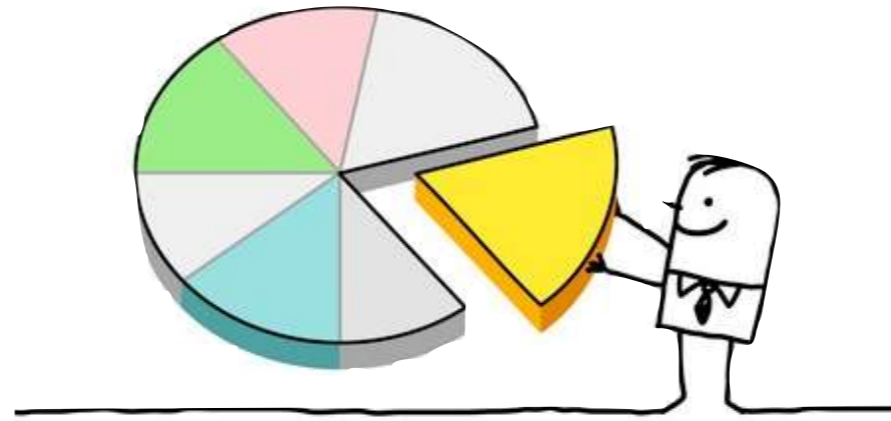
SBAExpress

Community Advantage Loans

International Trade Loan Program

Export Express

Export Working Capital Program



MICROLOANS

The Microloan Program provides those smaller but crucial loans ranging from \$500 to \$50,000 to small business owners.

- **The SBA Microloan Program also requires the microlender to provide business-based training and technical assistance to the borrower.**

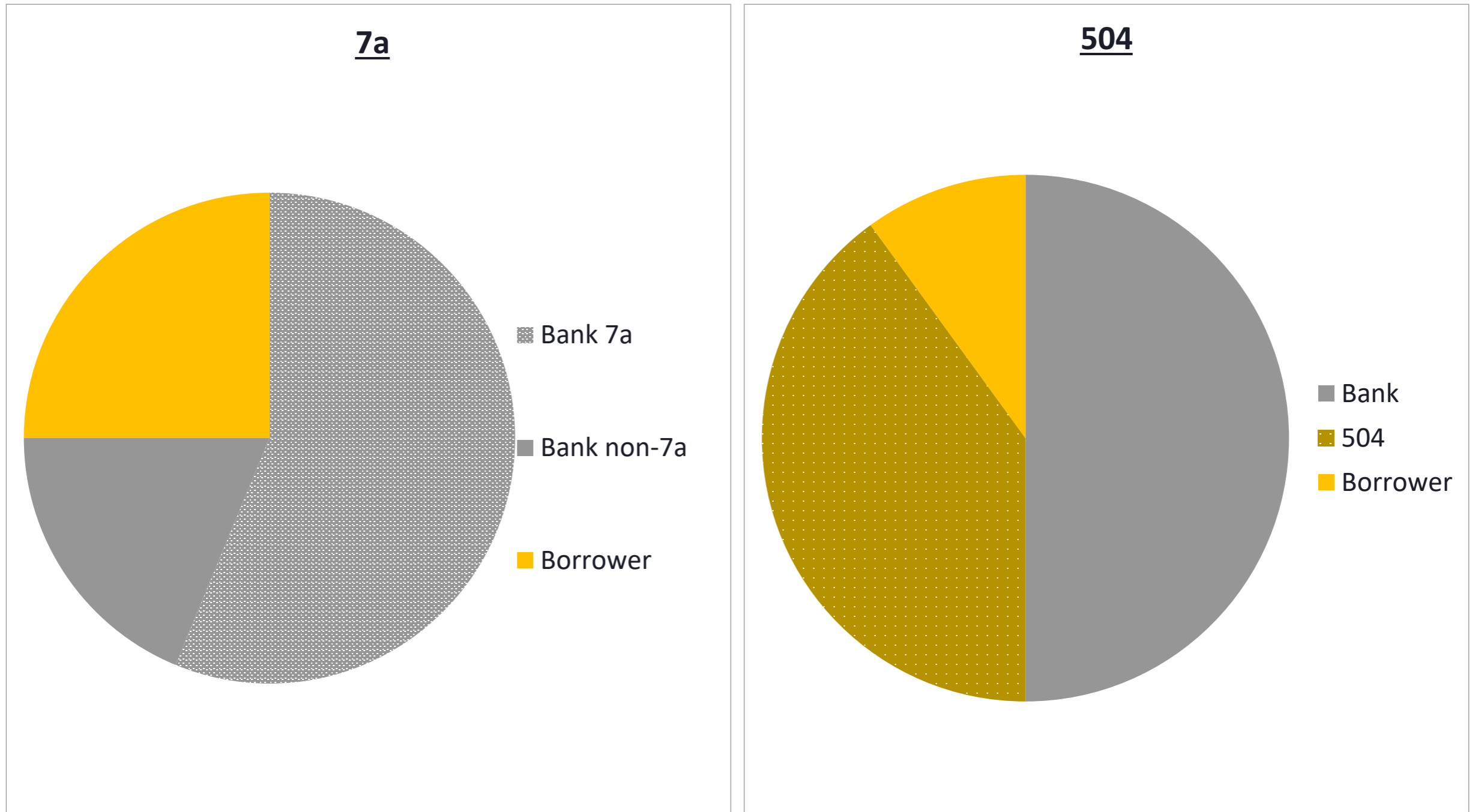


Owner-Occupied Real Estate Loans

The **504 Loan Program** provides long-term, fixed-rate, subordinate mortgage financing for acquisition and/or renovation of capital assets including land, buildings and equipment.

- **504 Loans are provided through Certified Development Companies...they work with lenders to make loans in first position on reasonable terms.**

504 AND 7A STRUCTURE COMPARISON



Dotted section shows SBA-guaranteed portion. First scenario assumes 75% bank financing with 75% SBA guarantee. Solid blue section is bank's unguaranteed portion. 504 project shows BEFCOR's 504 loan as being SBA-guaranteed.

Conventional Loan

- Terms from 5-20 years
- Typical balloon payment at end of 7-year term
- 10-30% equity injection
- Potential prepayment penalty or lockout
- Origination fee
- Lower interest rate

vs.

SBA 504 Loan

- Terms from 5-25 years
- No balloon payments
- 10-20% equity injection
- Potential prepayment penalties (only first three years)
- No origination fee
- Competitive interest rate
- Guaranty fee

Conventional Loan

vs.

SBA 504 Loan

Loan Amount	\$435,000
Annual Interest Rate	7.28 %
Amortization Term (# years)	20
Loan Due Term (# years)	10
Principle and Interest Payment	\$3,446
Interest-Only Payment	\$2,640
Balloon Payment	\$296,584

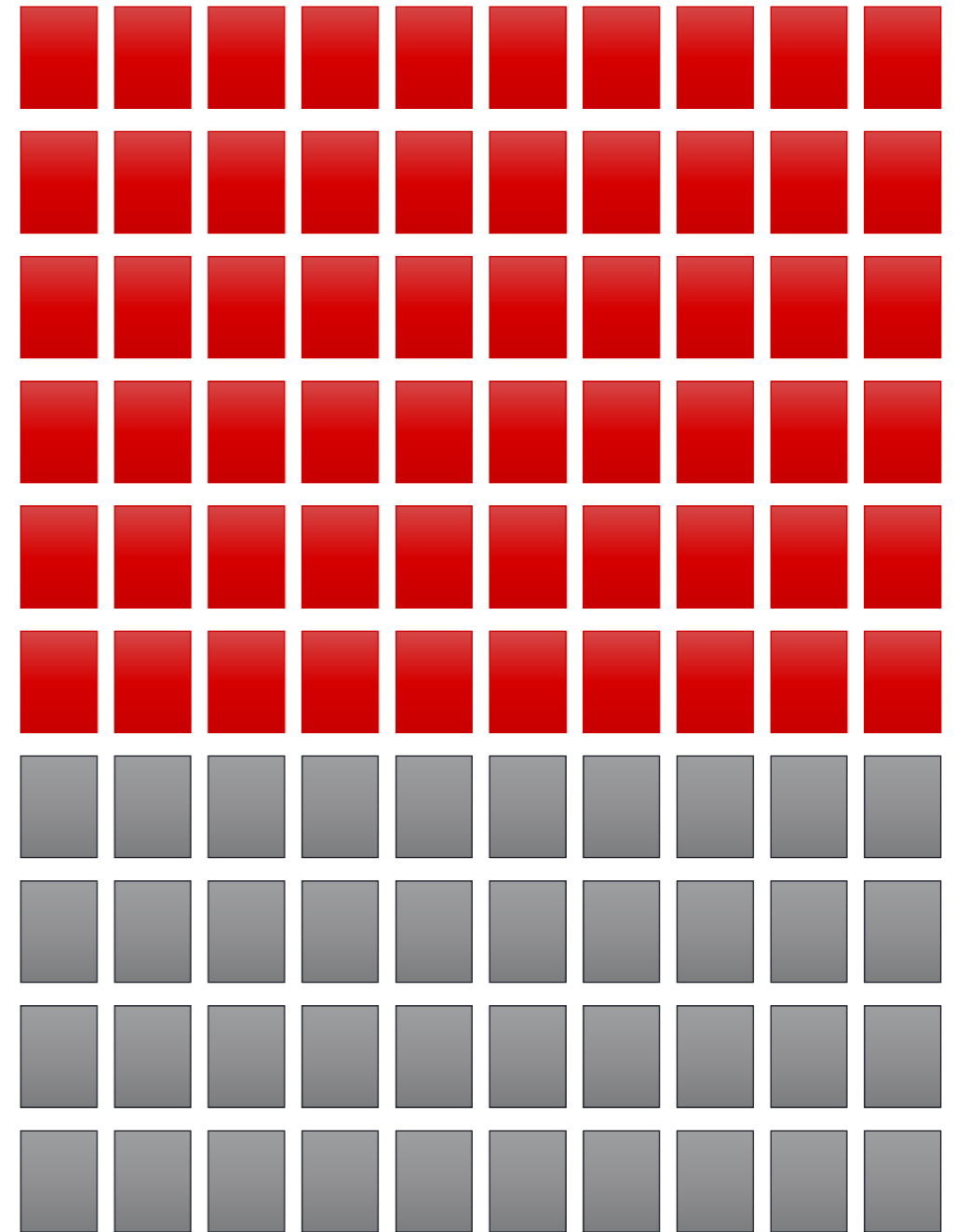
Loan Amount	\$435,000
Annual Interest Rate	5.87 %
Amortization Term (# years)	25
Loan Due Term (# years)	25
Principle and Interest Payment	\$3,407
Interest-Only Payment	\$2,128
Balloon Payment	\$0.00

Is a SBA Loan right for you?

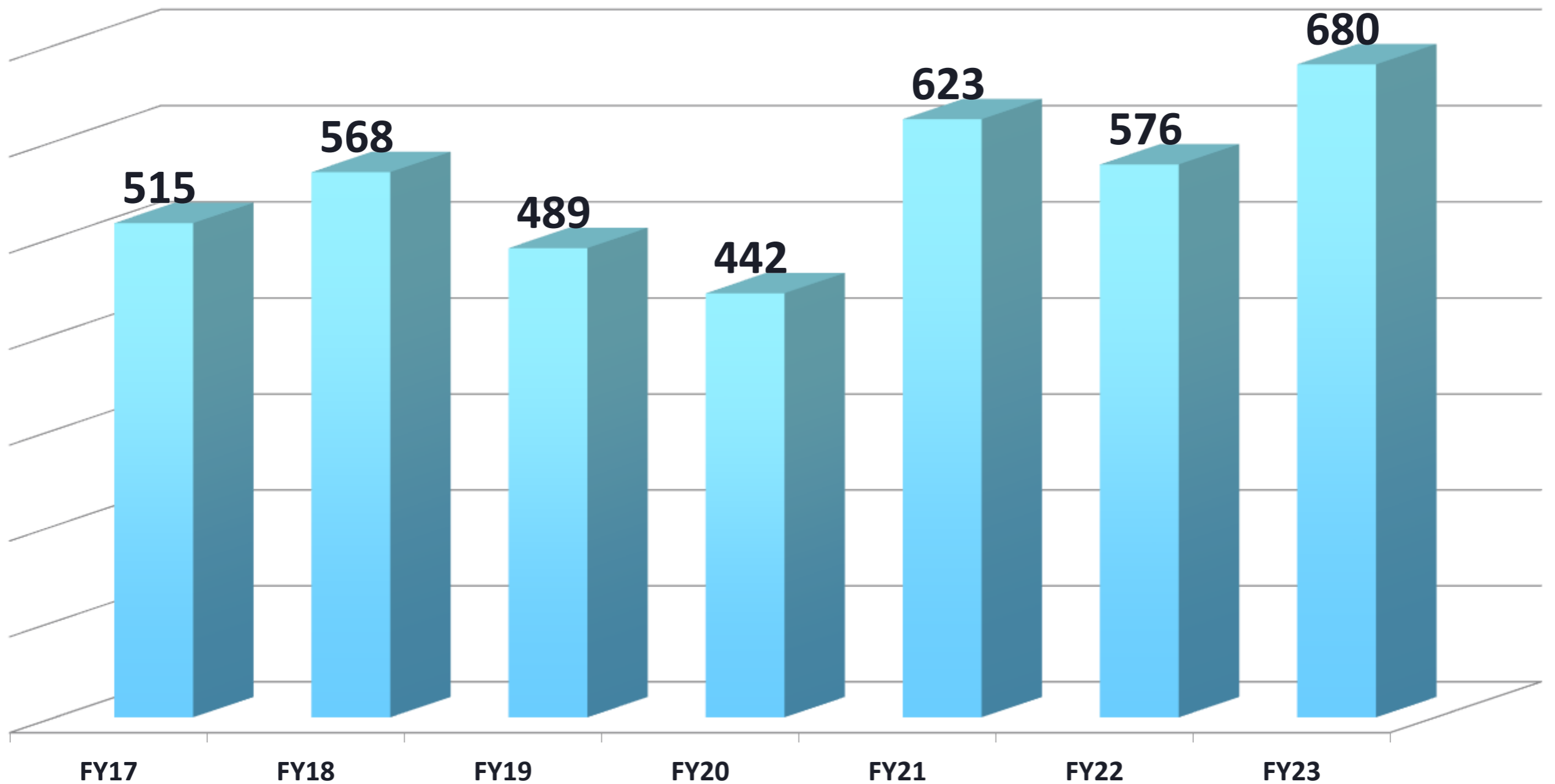
SBA LOAN BREAKDOWN

60% TO EXISTING BUSINESSES

40% TO START-UPS BUSINESSES

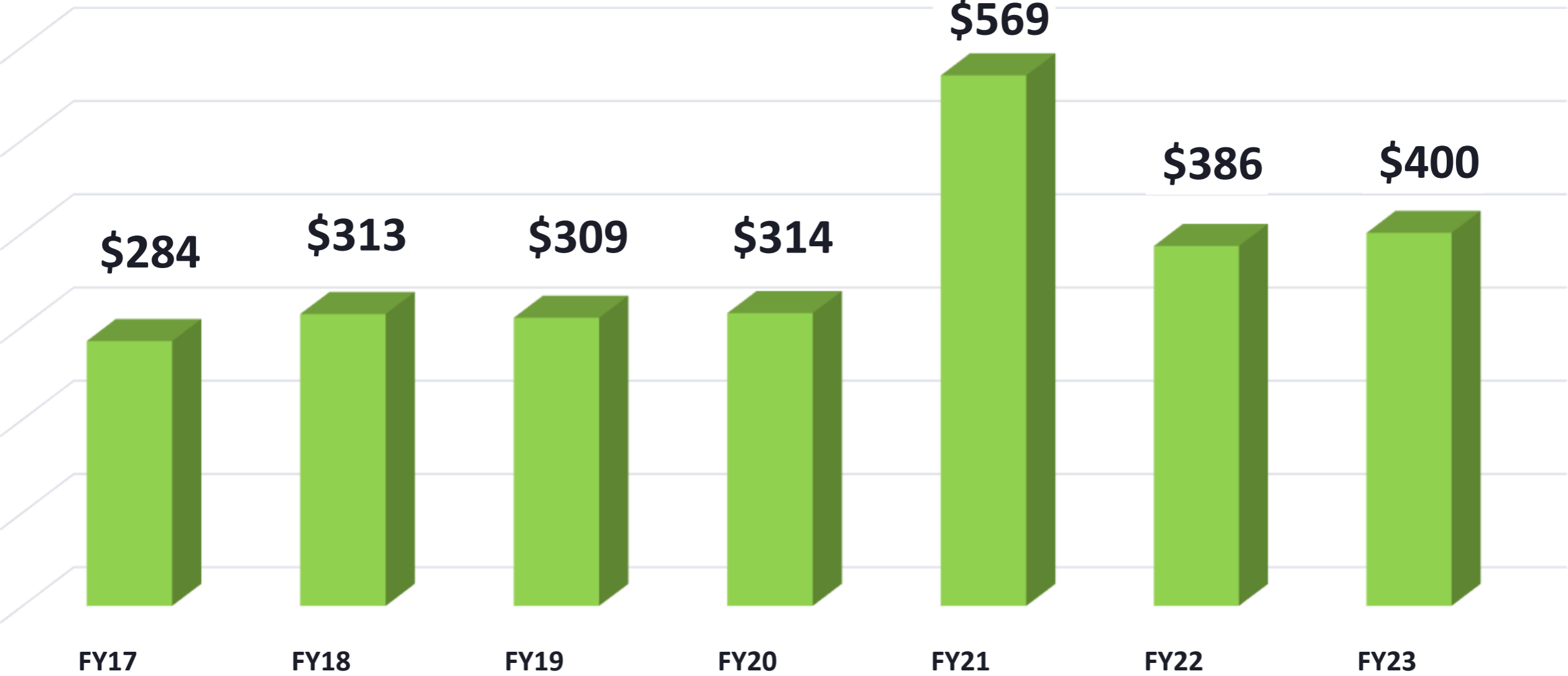


SBA 7A & 504 (# OF LOANS)



Over the last seven years, local SBA lenders provided 3,893 loans to start-up and existing small business owners in Tennessee.

SBA 7A & 504 (\$ VOLUME IN MIL)



Over the last seven years, local SBA lenders provided \$2.57 billion to start-up and existing small business owners in Tennessee.

SBA's Three C's & Disaster Assistance



Counseling



Contracting

Capital



Disaster Assistance

Disaster Assistance



The Office of Disaster Assistance's mission is to provide low-interest disaster loans to businesses of all sizes, private non-profit organizations, homeowners, and renters to repair or replace real estate, personal property, machinery & equipment, inventory and business assets that have been damaged or destroyed in a declared disaster.

Disaster Assistance

What types of Disaster Loans are available?

- Business Physical Disaster Loans (\$2 million loan max)
 - Economic Injury Disaster Loans (\$2 million loan max)
 - Home Disaster Loans (\$500K max RE / \$100K max personal property)
-

What are the Credit Requirements?

- Credit History
 - Ability of Repay
 - Collateral (if available)
-

What are the Disaster Loan Terms?

- Loan terms up to a maximum of 30 years
- If credit available elsewhere, maximum 7-year term

To Find Active SBA Lenders

7(a) & 504 District Office Lender Report

This report summarizes SBA loan approvals by SBA District Office and Lender. Users can filter by District Office, Program, Processing Method, and Fiscal Year. Users can download summary data by clicking the 'Download Data' button. Data is as of 10/3/2023.

District Office	Program	Processing Method	Fiscal Year	Download Data
Tennessee District Office	7(a)	(All)	2023	

Summary

Approval Count	Approval Amount	Average Loan Size
661	\$372,895,800	\$564,139

Detail

Lender Name (State)	Approval Count	Approval Amount	Average Loan Size
Live Oak Banking Company (NC)	25	\$40,173,800	\$1,606,952
The Huntington National Bank (OH)	92	\$28,458,000	\$309,326
Newtek Small Business Finance, Inc. (NY)	27	\$15,062,500	\$557,870
Newtek Bank, National Association (FL)	21	\$13,782,500	\$656,310
First Bank of the Lake (MO)	8	\$13,304,100	\$1,663,013
Pinnacle Bank (SC)	23	\$12,484,400	\$542,800
U.S. Bank, National Association (OH)	85	\$11,329,900	\$133,293
Regions Bank (AL)	15	\$10,222,400	\$681,493
Berkshire Bank (MA)	6	\$9,386,000	\$1,564,333
BayFirst National Bank (FL)	56	\$9,111,900	\$162,713
GBank (NV)	2	\$6,920,000	\$3,460,000
Fifth Third Bank (OH)	7	\$6,723,000	\$960,429
Celtic Bank Corporation (UT)	6	\$6,509,200	\$1,084,867
United Community Bank (SC)	6	\$6,258,000	\$1,043,000
Cadence Bank (MS)	15	\$5,984,000	\$398,933

[Workbook: DistrictOfficeLenderReport \(sba.gov\)](#)

THANK YOU



U.S. Small Business
Administration

Presented by
Patrick Rodriguez
Senior Area Manager
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