

**MAJOR U.S. SMALL BUSINESS ADMINISTRATION LOAN PROGRAMS**

Visit [www.sba.gov/financing](http://www.sba.gov/financing) for more information on SBA's loan programs

<b>FINANCE PROGRAMS</b>	<b><u>7(a) LOAN PROGRAM</u> and <u>LENDER ADVANTAGE</u></b>	<b><u>PATRIOT EXPRESS</u></b>	<b><u>SBAExpress and EXPORT EXPRESS</u></b>	<b><u>CERTIFIED DEVELOPMENT COMPANY LOANS (504)</u></b>
<b>WHO CAN APPLY</b>	For profit businesses that qualify as small under SBA size standards and cannot borrow on reasonable terms from conventional lenders without SBA help. <b>Small/Rural Lender Advantage Initiative</b> 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.
<b>PURPOSE</b>	Fixed assets, working capital or to finance start-ups or the purchase of an existing business; some debt payment allowed, but lender's loan exposure may not be reduced with the Express products. Lines of Credit are offered with the Express programs. Limited lines of credit available under 7(a) <a href="#">CAPLines</a> .			Fixed assets only - no working capital or debt refinancing. SBA takes a lien position behind that of the private sector lender.
<b>SBA GUARANTY</b>	<b>90%</b> , EXCEPT on loans in excess of \$1,666,666. Since SBA's exposure is capped at \$1,500,000 the guaranty will gradually decline to 75% at the \$2,000,000.		50% of loan or 90% for loans made for exporting.	SBA guarantees 100% of the debenture amount which generally ranges from 30-40% of the project.
<b>MAXIMUM LOAN AMOUNT</b>	<b>\$2,000,000</b> <b>Lender Advantage</b> <b>\$350,000</b>	<b>\$500,000</b>	<b>\$350,000 or</b> <b>\$250,000 for</b> <b>Export Express</b>	The maximum amount of CDC/504 participation in a single project is <b>\$1.5 Million</b> (\$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.
<b>MATURITY</b>	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.
<b>MAXIMUM INTEREST RATES</b>	Base rate plus 2-1/4% for maturities under 7 years. Base rate 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 base rate plus 6.5% for loans of \$50,000 or less, Bank base rate plus 4.5% for larger loans	Based on current market rate for 5 and 10 year Treasury Bonds.
<b>GUARANTY FEES</b>	No SBA upfront fees are charged on long term loans as long as special funding from the 2009 Recovery Act remains available. This is expected to last until December 31, 2009.  A fee of ¼% of the guaranteed portion of the loan is charged for loans with maturities of 12 months or less.			Up front fees of about .65% 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.
<b>SPECIAL FEATURES AND/OR REQUIREMENTS</b>	SBA generally requires that the owner(s) inject 1/4 to 1/3 of the total assets needed to start a new business. Use <a href="#">SBA Form 4</a> and <a href="#">41</a> for 7(a) and <a href="#">2301 series</a> 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 <a href="#">SBA 1920SX series of forms</a> and borrower uses <a href="#">1919 Borrower Information form</a> .		Must intend to create or retain one job for every \$65,000 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 – RECOVERY ACT EDITION

### Maximum Guaranty Percentages

**All Programs** other than *SBAExpress*.....**90%**      **SBAExpress** (\$350,000 maximum).....**50%**  
 On loans in excess of \$1,666,666, SBA's exposure is capped at \$1,500,000 so the guaranty will gradually decline to 75%

**Guaranty Fees on loans exceeding 12 months in maturity.** Under the 2009 Stimulus Bill SBA Fees are temporarily waived on most loans. Borrower fees are only charged on loans of less than 12 months.

**Guaranty Fees on loans up to 12 months in maturity** is .25%, but must be submitted within 10 days of loan approval. The full pre-Recovery Act guaranty fee may be required to renew the loan, so you may wish to make the loan for at least 13 months to avoid having to pay any additional fee.

**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	Base Rate + 2.25%
Term of 7 yrs or more	Base Rate + 2.75%

**The Base Rate may be WSJ Prime or LIBOR+3% or the SBA Peg Rate for variable rate loans.**

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	<a href="mailto:scott.dailey@sba.gov">scott.dailey@sba.gov</a>
Peggy FaJohn	(804) 771-2400 ext 126	(202) 481-4891	<a href="mailto:margaret.fajohn@sba.gov">margaret.fajohn@sba.gov</a>
Andy Keller	(804) 771-2400 ext 128	(202) 481-4093	<a href="mailto:leroy.keller@sba.gov">leroy.keller@sba.gov</a>
Ford Scott	(804) 771-2400 ext 153	(202) 481-4172	<a href="mailto:ford.scott@sba.gov">ford.scott@sba.gov</a>

### Key Lender Web Sites

<a href="http://www.sba.gov/banking">SBA Lender Homepage</a>	<a href="http://www.sba.gov/banking">http://www.sba.gov/banking</a>
<a href="http://www.sba.gov/idc/groups/public/documents/sba_homepage/serv_sops_50105a.pdf">Loan Processing Policy SOP 50-10 5a</a>	<a href="http://www.sba.gov/idc/groups/public/documents/sba_homepage/serv_sops_50105a.pdf">http://www.sba.gov/idc/groups/public/documents/sba_homepage/serv_sops_50105a.pdf</a>
<a href="http://www.sba.gov/aboutsba/sbaprograms/elending/sipc/forms/index.html">SBAExpress, PLP &amp; CommunityExpress Loan Forms</a>	<a href="http://www.sba.gov/aboutsba/sbaprograms/elending/sipc/forms/index.html">http://www.sba.gov/aboutsba/sbaprograms/elending/sipc/forms/index.html</a>
<a href="http://www.sba.gov/size/indexableofsize.html#naics_determine">NAICS codes and Size Standards</a>	<a href="http://www.sba.gov/size/indexableofsize.html#naics_determine">http://www.sba.gov/size/indexableofsize.html#naics_determine</a>
<a href="http://www.franchiseregistry.com/registry/">Franchise Registry Homepage</a>	<a href="http://www.franchiseregistry.com/registry/">www.franchiseregistry.com/registry/</a>
<a href="http://uscis.gov/graphics/formsfee/forms/g-845.htm">U.S. Citizenship &amp; Immigration Services</a>	<a href="http://uscis.gov/graphics/formsfee/forms/g-845.htm">http://uscis.gov/graphics/formsfee/forms/g-845.htm</a>
<a href="http://www.export.gov">Exporting</a>	<a href="http://www.export.gov">www.export.gov</a>

### Important Addresses

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

**Lender Advantage Loans** should be faxed to  
 (916) 735-1680.  
 Questions? Call the DO or the Processing Center at  
 916-735-1515, ext 4368, or forward your question to  
[7aquestions@sba.gov](mailto:7aquestions@sba.gov).

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

**Guaranty Fee Payments**  
 Pay online using [www.pay.gov](http://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  
[lrcs.servicing@sba.gov](mailto:lrcs.servicing@sba.gov)

**Express Purchase**  
 Fax (202) 292-3877  
[lrcs.purchasing@sba.gov](mailto:lrcs.purchasing@sba.gov)

**Colson Services**  
 2 Hanson Place  
 7<sup>th</sup> Floor, Brooklyn, NY 11111  
 (877) 245-6159  
<mailto:info@colsonservices.com>  
[www.colsonservices.com](http://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](mailto:loanresolution@sba.gov)  
[www.sba.gov/banking/ngpc/](http://www.sba.gov/banking/ngpc/)  
 Hours: Monday to Friday  
 7:30 am to 6:30 pm

**Richmond District Office**  
 Small Business Administration  
 400 N. 8th Street, Suite 1150  
 Richmond, VA 23219-4829  
 (804) 771-2400 Fax (804) 771-2764  
<http://www.sba.gov/va/richmond.va@sba.gov>

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