



SBA7a.Loans, Inc.
78 SW 7th Street, Miami FL 33130



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SBA Loan TERMS FACT SHEET

Here's all of the essential information about the SBA 7(a) loan, in one place. The SBA 7(a) loan is a government-backed loan program designed to help small business owners across the United States and its territories. The SBA doesn't lend money to businesses directly. Instead, it guarantees loans made by private-sector lenders. Most borrowers are small business owners who haven't been able to obtain financing by conventional means.



Loan Amounts

- Maximum amount: SBA 7(a) loans can be guaranteed in any amount up to \$5 million.
- Minimum amount: There's no minimum amount of funding required.
- Percentage of guarantee: Loans up to \$150,000 are guaranteed up to 85%; loans over \$150,000 are guaranteed up to 75%

Loan Maturity

- Equipment or working capital loans: Term is up to 10 years.
- Real estate loans: Term is up to 25 years.





Eligibility

- Small businesses (revenue of \$5 million or less, depending on industry).
- Must be operating on a for-profit basis; business must have tried and failed to secure conventional financing from a lender.
- Loan funds may be used for most business purposes, with the exception of paying off secured creditors.

Credit Requirements

- Good personal and business credit rating.
- Owners must show significant personal investment in business.
- Demonstrated ability to repay new secured loan, along with existing business expenses and a draw for business owner.

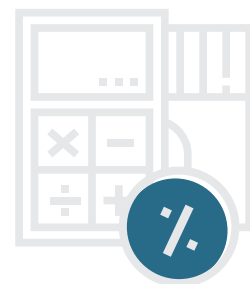


Collateral for an SBA 7(a) Loan

- Business owners are expected to make all business assets available as collateral for SBA 7(a) loan.
- Loan may be approved if value of business assets is not high enough to provide sufficient security.
- SBA can register liens on home or other personal property.
- Note that the SBA won't turn down loan applicants for a loan due to insufficient collateral, as long as they meet all other qualifications.

Fees and Prepayment Penalties

- Lenders can charge borrowers late fees for missed payments, service charges, and out-of-pocket expenses
- SBA 7(a) loans with 15 year terms (or longer) are subject to prepayment penalties in first three years (5%-3%-1%).
- Guaranty fee of 3% is added to loans of \$150,000 - \$700,000. Guaranty fee on loans of \$700,000-\$1 million is 3.5%. For loans in the \$1 - \$5 million range, a guaranty fee of 3.5% is charged on the first \$1 million, plus an additional 0.25% for the amount over that amount.



Certified Lenders and Preferred Lenders



- **Certified Lenders** make up approximately 10% of SBA lenders. They use their own forms and have borrowers complete a full loan application.
 - SBA makes a minimal review of loan application; the Certified Lender approves or denies application at branch level and SBA confirms decision. Process takes approximately three business days.
- **Preferred Lenders** have authority to unilaterally approve loans. About 18% of banks, savings and loan institutions and credit unions have been granted this status.
 - A Preferred Lender can often give a borrower an answer about a loan application in as little as 24 hours.



Ready to Apply for an
SBA LOAN?



Contact [SBA7a.loans](https://www.sba7a.loans) for a free consultation with our friendly team. We'll connect you with the ideal lender in your area.