



SBA Desk Top Reference Guide

The SBA Loan programs are long term financing tools designed to help you expand your markets and provide full service financing to your members and prospects.

Terms & Conditions	SBA 7(a) Loans	SBA 7(a) Express Loans	SBA 504 Loans
Eligibility	Based on annual sales or Number of employees as described by NAICS	Same	Two year pilot program creates alternative size standard up to \$15 million of tangible net worth & 2 year average net income up to \$5 million
Loan Amount	\$50,000-\$5,000,000	\$50,000-\$1,000,000 (until 9/26/2011, then reverts to lower \$350,000 as of 9/27/2011)	\$250,000 to \$5,000,000 (small manufacturers & energy loans (green facilities) increased to \$5.5 million)
SBA Participation	SBA Guarantees Loan Amounts Up to \$3,750,000 or 75% (no piggyback scenario allowed)	SBA Guarantees express deals at 50%	SBA Certified Development Company (CDC) funds up to 40% of project costs as a 2 nd mortgage with SBA Guaranty
Equity Contribution	10% to 30% of Total Project Costs <ul style="list-style-type: none"> • 10% for R/E • 20% for Biz Acq • 20-30% for Startup 	10 to 30% of total project costs (See 7(a) Criteria)	Minimum of 10 to 20% of total project costs
Interest Rate	WSJ Prime + 2.75% maximum, or SBA Peg Rate + 2.75%	WSJ Prime + 6.75% maximum, or SBA Peg Rate + 2.75%	Floating or Fixed Rates available
Term & Amortization	Fully amortizing loans up to 25 years depending on use of proceeds	Same as 7(a) criteria, with exception for	First Lien amortized over 10 or 20 years, CDC/SBA Second lien amortized over 10 or 20 years
Closing Time Frame	Between 45 to 60 days of CUSO/Credit Union approval, to allow for SBA approval & closing	Between 30 to 60 days of CUSO/Credit Union approval, to allow for SBA approval & Closing	Between 30 to 60 days after CUSO/ Credit Union approval for loan processing, appraisal & environmental work & CDC/SBA approval
Benefits	No prepayment on loans under 15 years; over 15 years 5%, 3%, 1% first 3 years	Same as 7(a)	Larger loan amount and lower equity contribution

Long term Small Business loans partially guaranteed by the U.S. Government are available to your customers.

There are two principal types of SBA loans:

7(a) loans and 504 Economic Development loans. The differences are in:

- The guaranty structure
- Maximum loan amount
- Use of Loan proceeds

SBA 7(a) loans can be used for start-ups, business expansions, acquisitions, leasehold build-outs and tenant improvements, machinery, furniture, fixtures, constructions and refinance of existing real estate debt.

SBA 7(a) Express Loans have a smaller guaranty, but faster turn time with approved SBA Credit Unions making the credit decision versus the SBA. They can be used for same as the 7(a) criteria, and for smaller lines of credit.

SBA 504 loans are limited to financing land, building and equipment.

Approval for each of the programs is primarily based on three lending criteria:

- Character and Credit Worthiness of the Owner;
- The Business and it's Ability to Repay Debt; and
- Sufficient Equity and Collateral to Secure the Transaction

Please contact Lorain Cooper at Cooperative Business Services, LLC with specific questions regarding SBA eligibility, underwriting and processing. You can reach her at Lcooper@cbscuso.com, or (513) 677-3100; extension 104.