SBA 7(a) Loan Program
Fact Sheet

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The U.S. Small Business Administration (SBA) 7(a) Loan Program is the nation's most popular program backed by the Federal Government that helps ensure easy access to capital for eligible small businesses that may be struggling to secure financing on conventional terms. The 7(a) Program is considered the SBA's flagship loan program, helping more than 60,000 American small businesses obtain funding each year.

How Do Businesses Benefit from SBA 7(a) Loans?

SBA 7(a) loans are affordable, flexible and help with conservation of cash flow. In comparison to conventional bank financing, borrowers have access to a variety of benefits through the 7(a) Program, such as longer maturities, lower interest rates and lower collateral requirements:

- Extended Repayment Terms
- Up to 90% Bank Financing
- Low Interest Rates
- Fully Amortizing (No Balloons)
- Limited Collateral Requirements
- No Prepayment Penalties for Loans of 15 Years or Less

How Can Businesses Use SBA 7(a) Loan Proceeds?

- Business Acquisitions, Expansions & Start-Ups
- Partner Buyouts
- Inventory, Equipment & Franchise Purchases
- Commercial Real Estate
- Ground-Up Construction
- Refinance Existing Debt
- Working Capital

Which Businesses Are A Good Fit for SBA 7(a) Loans?

- For-Profit Entities Based in the United States
- Acceptable Global Debt Service Coverage
- Meet Minimum Size Standards by SBA (Varies by Industry)
- Acceptable Personal Credit Scores for Equity Owners
- Demonstrate Inability to Find "Credit Elsewhere" from Personal Resources of Equity Owners of 20% or More

SBA 7(a) Loan Program Terms At-A-Glance

Loan Amounts
Up to $5,000,000 (Expedited Process Loans > $350,000)

Repayment Terms
10-25 Years (Varies by Use of Proceeds)

Downpayment
Typically, 10% of the Total Project Costs

Interest Rates
Variable & Multi-Year Adjustable Rates

Prepay Penalties
5/3/1 Tiered Structure (Loans < 15 Years Only)

Collateral
First Position on All Available Business Assets

Ready to get started? Contact us by visiting www.windsorbanklink.com/contact/