

SBA Loan Program Overview

	SBA Express Loans	SBA 7(a) Term Loans	SBA 504 Term Loans
Eligibility	<p>Must be a for-profit business located in the United States.</p> <p>Business & affiliates must meet small business size standards.</p> <p>Owners must be of good character.</p>	<p>Must be a for-profit business located in the United States.</p> <p>Business & affiliates must meet small business size standards.</p> <p>Owners must be of good character.</p>	<p>Must be a for-profit business located in the United States.</p> <p>Net worth below \$7.5MM, net profit after tax less than \$2.5MM.</p> <p>Create/Retain 1 job per \$50,000 in SBA loan funds.</p>
Loan Size	<p>Maximum SBA loan amount limited to \$350,000.</p>	<p>Maximum SBA loan amount limited to \$2MM.</p> <p>Maximum SBA loan guarantee is limited to \$1.5MM (includes affiliates).</p>	<p>Maximum SBA loan amount is limited to \$1.5MM.</p> <p>Up to \$2.0MM for public policy goals and \$4.0MM for small manufacturers.</p>
Use of Funds	<ul style="list-style-type: none"> Short Term Working Capital 	<ul style="list-style-type: none"> Real Estate & Land Machinery & Equipment Furniture & Fixtures Inventory Term Working Capital Business Acquisitions Debt Refinance (meeting SBA req.) 	<ul style="list-style-type: none"> Real Estate (purchase, construction or leasehold) Land Machinery & Equipment
Financing	<p>Guaranty Bank provides the financing for the total amount of the loan.</p> <p>SBA provides Guaranty Bank 50% guaranty on loans up to \$350,000.</p> <p>Guaranty Bank can provide maximum financing of up to 90% for start up expenses.</p>	<p>Guaranty Bank provides the financing for the total amount of the loan.</p> <p>SBA provides Guaranty Bank 85% guaranty on loans up to \$150,000.</p> <p>SBA provides Guaranty Bank 75% guaranty on loans in excess of \$150,000.</p> <p>Guaranty Bank can provide maximum financing of 90% for real estate and start up expenses.</p> <p>Guaranty Bank can provide financing of 100% for purchases of machinery & equipment, furniture & fixtures, inventory, and working capital for existing businesses.</p>	<p>Guaranty Bank provides the financing for 50% of the total project.</p> <p>SBA provides the financing for 40% of the total project.</p> <p>Business provides the equity of a minimum of 10% of the total project.</p> <p>Business provides the equity of 15% if a start up or special purpose project. Business provides the equity of 20% if a start up <u>and</u> special purpose project.</p> <p>Additional equity reduces the SBA financing amount.</p>
Term	<p>Term of revolving lines of credit with SBA- up to 7 years. Lender term will be renewed on an annual basis.</p>	<p>Term needs to match the life of the asset being financed.</p> <p>SBA requires full amortization on all loan terms (no balloons).</p> <ul style="list-style-type: none"> Real Estate & Land- up to 25 years Equipment- up to 10 years Working Capital- up to 7 years 	<p>Term of Guaranty Bank loan must be:</p> <ul style="list-style-type: none"> 10 years for Real Estate 7 years for Machinery & Equipment <p>Term of SBA loan can be up to:</p> <ul style="list-style-type: none"> 20 years for Real Estate 15 years for Machinery & Equipment
Collateral	<p>SBA requires Guaranty Bank to take a secured interest in all business assets and/or a mortgage on real estate.</p>	<p>SBA requires Guaranty Bank to take a secured interest in all business assets and/or a mortgage on real estate.</p>	<p>Guaranty Bank holds a 1st mortgage or a 1st secured interest in the real estate or equipment.</p> <p>SBA holds a 2nd mortgage or 2nd secured interest in the real estate or equipment.</p>
SBA Guaranty Fee	<p>SBA Guaranty Fee of 0.25% of the guaranteed portion on lines of credit with maturity of 12 months or less for the 1st year only.</p> <p>SBA Guaranty Fee of 1.75% of the guaranteed portion on loan amounts up to \$150,000 during the 2nd year.</p> <p>SBA Guaranty Fee of 2.75% of the guaranteed portion on loan amounts over \$150,000 during the 2nd year.</p>	<p>SBA Guaranty Fee of 2% of the guaranteed portion on loan amounts up to \$150,000.</p> <p>SBA Guaranty Fee of 3% of the guaranteed portion on loan amounts over \$150,000 up to \$700,000.</p> <p>SBA Guaranty Fee of 3.5% of the guaranteed portion on loan amounts over \$700,000 up to \$1,000,000.</p> <p>SBA Guaranty Fee of 3.75% of the guaranteed portion on loan amounts over \$1,000,000.</p>	<p>Guaranty Bank determines fee on bank financing portion.</p> <p>SBA and CDC fee charges are up to 3.0% and must be added into the total financing package.</p>
Interest Rates	<p>Fixed or variable rate options.</p> <p>Maximum rate of Prime + 6.5% on loan amounts up to \$50,000.</p> <p>Maximum rate of Prime +4.5% on loan amounts over \$150,000.</p>	<p>Fixed or variable rate options.</p> <p>Maximum rate of Prime + 2.25% on loan terms with a maturity of up to 7 years.</p> <p>Maximum rate of Prime + 2.75% on loan terms with a maturity of over 7 years.</p> <p>An additional 2% can be charged for loan amounts up to \$25,000. An additional 1% can be charged for loan amounts over \$25,000 but less than \$50,000.</p>	<p>Fixed or variable rate options on the Guaranty Bank loan. Adjustment period may vary.</p> <p>Fixed rate (below market) for the term of the loan on the SBA portion. Rate is fixed after Guaranty Bank loan closes and the debenture is sold.</p>
Lender Fees	<p>Lender pays 0.55% annual servicing fee on outstanding guaranteed portion.</p>	<p>Lender pays 0.55% annual servicing fee on outstanding guaranteed portion.</p>	<p>Lender pays 0.50% fee as a one-time charge for 1st collateral position.</p>