

FINANCING GETTING APPROVED

Financing Options to Start or Grow Your Business



The American Recovery and Reinvestment Act may affect some SBA loan guarantee programs. For the latest information, see your local SBA district office or www.sba.gov.

Many entrepreneurs need financial resources to start or expand a small business themselves and must combine what they have with other sources of financing. These sources can include family and friends, venture-capital financing, and business loans.

This section of the Small Business Resource guide discusses SBA's primary business loan and equity financing programs. These are: the 7(a) Loan Program, the Certified Development Company or 504 Loan Program, the MicroLoan Program and the Small Business Investment Company Program. The distinguishing features for these programs are the total dollar amounts that can be borrowed, the type of lenders who can provide these loans, the uses for the loan proceeds, and the terms placed on the borrower.

Note: The SBA does not offer grants to individual business owners to start or grow a business. The only grants the SBA is authorized to provide are for entities to provide businesses management technical assistance to other businesses.

When you seek a business loan, familiarize yourself with the SBA's business

loan programs to see if they may be a viable option. The three principal players in most of these programs are — the applicant small business, the lender and the SBA. SBA guarantees a portion of the loan (except for MicroLoans). The business should have its business plan prepared before it applies for a loan. This plan should explain what resources will be needed to accomplish the desired business purpose including the cost of everything, the applicants' contribution, use of loan proceeds, collateral, and most important, an explanation of how the business will be able to repay the loan in a timely manner.

The lender will analyze the application to see if it meets the lender's criteria as well as SBA's requirements. SBA will look to the lender to do much, if not all, of the analysis before it provides its guaranty on the lender's loan or provides the microlenders with funds to re-lend to the business. The SBA's business loan programs provide a key source of financing for viable small businesses that have real potential, but cannot qualify for loans on their own.

7(A) LOAN PROGRAM

The 7(a) Loan Program is the SBA's primary business loan program. It is the agency's most used non-disaster financial assistance program because of its flexibility in loan structure, variety of loan proceeds uses, and availability. This program has broad eligibility requirements and credit

criteria to accommodate a wide range of financing needs.

The business loans that SBA guarantees do not come from the agency, but rather from banks and other approved lenders. The loans are funded by these organizations and they make the decisions to approve or not approve the applicants' requests.

The SBA guaranty reduces the lender's risk of borrower non-payment. If the borrower defaults, the lender can request SBA to pay the lender that percentage of the outstanding balance guaranteed by SBA. This allows the lender to recover a portion from SBA of what it lent if the borrower can't make the payments. The borrower is still obligated for the full amount.

To qualify for an SBA guaranty, a small business must meet the lender's criteria and the 7(a) requirements. In addition the lender must certify that it would not provide this loan under the proposed terms and conditions unless it can obtain an SBA guaranty. If the SBA is going to provide a lender with a guaranty, the applicant must be eligible creditworthy and the loan structured under conditions acceptable to SBA.

PERCENTAGE OF GUARANTIES AND LOAN MAXIMUMS

The SBA only guarantees a portion of any particular loan so each loan will also have an unguaranteed portion giving the lender a certain amount of exposure and risk on each loan. The percentage SBA guarantees depends on either the dollar amount or the program the lender uses to obtain its guaranty. For loans of \$150,000 or less the SBA will guaranty as much as 85 percent and for loans over \$150,000 the SBA can provide a guaranty of up to 75 percent. **(NOTE: These percentages may be temporarily increased up to 90 percent as part of the American Recovery and Reinvestment Act of 2009 Check with your local SBA district office for more information.)**

The maximum loan amount is \$2 million and the maximum guaranty amount to any one business (including affiliates) is \$1.5 million. The one exception is when a

business needs both working capital and fixed assets to promote exporting in which case the SBA can provide a maximum guaranty of \$1.75 million.

Loans made under the SBAExpress program, which is discussed subsequently, have a 50 percent guaranty.

INTEREST RATES AND FEES

The actual interest rate for a loan guaranteed by SBA is negotiated between the applicant and lender and subject to SBA maximums. Both fixed and variable interest rate structures are available. The maximum rate is comprised of two parts, a base rate and an allowable spread. There are three acceptable base rates (Wall Street Journal Prime, London Interbank One Month Prime plus 3 percent, and an SBA Peg Rate). Lenders are allowed to add an additional spread to the base rate to arrive at the final rate. For loans with maturities of less than seven years the maximum spread will be no more than 2.25 percent. For loans with maturities of seven years or more the maximum spread will be 2.75 percent. Loans under \$50,000 and loans processed through Express procedures are permitted to be higher.

Loans guaranteed by SBA are assessed a guaranty fee. This fee is based on the loan's maturity and the dollar amount guaranteed, not the total loan amount, and the loan's maturity. The guaranty fee is generally paid by the borrower and can be included in the loan proceeds.

On any loan with a maturity of one year or less, the fee is just 0.25 percent of the guaranteed portion of the loan. On loans with maturities of more than one year, the normal guaranty fee is 2 percent of the SBA guaranteed portion on loans up to \$150,000; 3 percent on loans over \$150,000 but not more than \$700,000; and 3.5 percent on loans over \$700,000. There is also an additional fee of 0.25 percent on any guaranteed portion over \$1 million. *** All references to the prime rate refer to the lowest prime rate as published in the Wall Street Journal on the day the application is received by the SBA.**

(Note: These fees will be temporarily lowered for some loans as part of the American Recovery and Reinvestment Act.)

7(A) LOAN MATURITIES

SBA loan programs are generally intended to encourage longer term small business financing, but actual loan maturities are based on the ability to repay,

the purpose of the loan proceeds and the useful life of the assets financed. However, maximum loan maturities have been established: 25 years for real estate; up to 10 years for equipment (depending on the useful life of the equipment); and generally up to seven years for working capital. Short-term loans and revolving lines of credit are also available through the SBA to help small businesses meet their short-term and cyclical working capital needs.

STRUCTURE

Most loans are repaid with monthly payments of principal and interest. For fixed-rate loans the payments stay the same whereas for variable rate loans the lender can re-establish the payment amount when the interest rates change or at other intervals as negotiated with the borrower. Applicants can request that the lender establish the loan with interest-only payments during the start-up and expansion phases (when eligible) to allow the business time to generate income before it starts making full loan payments. There are no balloon payments or call provisions allowed on any 7(a) loan. The lender may not charge a prepayment penalty if the loan is paid off before maturity, but the SBA will charge the borrower a prepayment fee if the loan has a maturity of 15 or more years and is pre-paid during the first three years.

COLLATERAL

The SBA expects every loan to be fully secured, but, the SBA will not decline a request to guaranty a loan if the only unfavorable factor is insufficient collateral, provided all available collateral is offered. What these two policies mean is that every SBA loan is to be secured by all available assets (both business and personal) until the recovery value equals the loan amount or until all assets have been pledged to the extent that they are reasonably available, to adequately secure the loan. Personal guaranties are required from all the principal owners of the business. Liens on personal assets of the principals may be required.

ELIGIBILITY

7(a) loan eligibility is based on four different factors. The first is size, as all loan recipients must be classified as "small" by SBA. The basic size standards are outlined below. A more in-depth listing of standards can be found at: <http://www.sba.gov/>

services/contractingopportunities/index.html then select "Size Standards" from the "Contracting Opportunities" menu in the right hand column.

SBA Size Standards:

- Manufacturing from 500 to no more than 1,500 employees
- Wholesaling — No more than 100 employees
- Services from \$4.5 million to no more than \$33.5 million in average annual receipts
- Retailing from \$7 million to no more than \$29.5 million
- General construction from \$7 million to no more than \$33.5 million
- Agriculture from \$750,000 to no more than \$17.5 million in average annual receipts

Nature of Business

The second eligibility factor is based on the nature of the business and the process by which it generates income or the customers it serves. The SBA has general prohibitions against providing financial assistance to businesses involved in such activities as lending, speculating, passive investment, pyramid sales, loan packaging, presenting live performances of a prurient sexual nature, businesses involved in gambling and any illegal activity.

The SBA will also not support non-profit businesses, private clubs that limit membership on a basis other than capacity, businesses that promote a religion, businesses owned by individuals incarcerated or on probation or parole, municipalities, and situations where the business or its owners previously failed to repay a federal loan or federally assisted financing.

Use of Proceeds

The third eligibility factor is usage of proceeds. 7(a) proceeds can be used to: purchase machinery, equipment, fixtures, supplies, leasehold improvements, as well as land and/or buildings that will be occupied by the business borrower.

Proceeds can also be used to:

- Expand or renovate facilities;
- Finance receivables and augment working capital;
- Finance seasonal lines of credit;
- Construct commercial buildings; and
- Refinance existing debt under certain conditions.

7(a) loan proceeds cannot be used (except for compensation for services rendered) for floor plan financing or to have funds for the purpose of making investments. They also cannot be used to provide perks to an owner of the business.

Miscellaneous Factors

The fourth factor involves a variety of requirements such as SBA's credit elsewhere test and utilization of personal assets requirements where the business and its principal owners must use their own resources before getting a loan guaranteed by SBA. It also includes SBA's anti-discrimination rules and prohibitions on lending to agricultural enterprises because there are other agencies of the federal government with programs to fund such businesses.

Generally, SBA loans must meet the following:

- Every loan must be for a sound business purpose;
- There must be sufficient invested equity in the business so it can operate on a sound financial basis;
- There must be a potential for long-term success;
- The owners must be of good character and reputation; and
- All loans must be so sound as to reasonably assure repayment.

For SBA's eligibility requirements check: <http://www.sba.gov/services/> then select "Loan Eligibility" from the "Financial Assistance" list along the bottom.

WHAT TO TAKE TO THE LENDER

Documentation requirements may vary; contact your lender for the information you must supply.

Common requirements include the following:

- Purpose of the loan.
- History of the business.
- Financial statements for three years (existing businesses).
- Schedule of term debts (existing businesses).
- Aging of accounts receivable and payable (existing businesses).
- Projected opening-day balance sheet (new businesses).
- Lease details.
- Amount of investment in the business by the owner(s).
- Projections of income, expenses and cash flow as well as the assumptions.
- Personal financial statements on the principal owners.
- Resume(s) of the principal owners and managers.

HOW THE 7(A) PROGRAM WORKS

Applicants submit their loan application to a lender for the initial review. The lender will generally review the credit merits of

the request before deciding if they will make the loan themselves or if they will need an SBA guaranty. If a guaranty is needed, the lender will also review eligibility, and the applicant should be prepared to complete some additional documents before the lender sends its request for guaranty to the SBA.

There are five different ways a lender can apply for a 7(a) guaranty from SBA. The main differences between these methods are related to the documentation which the lender provides, the amount of review which SBA conducts, the amount of the loan and the lender responsibilities in case the loan defaults and the business' assets must be liquidated. The five methods are:

- Standard 7(a) Guaranty participants,
- Certified Lender Program participants
- Preferred Lender Program participants
- SBA Express, and Community Express participants.

For the Standard, Certified and Preferred methods, the applicant fills out SBA Form 4, and the lender completes SBA Form 4-1. When requests for guarantees are processed using Express methods, the applicant uses more of the regular forms of the lender and just has a few federal forms to complete. When SBA receives a request that is processed through Standard or CLP procedures, it either reanalyzes or reviews the lender's eligibility and credit analysis before deciding to approve or reject. For requests processed through PLP, Community Express and SBA Express procedures, lenders are permitted to make SBA-guaranteed loans without SBA's credit approval of the borrower.

In guaranteeing the loan, the SBA assures the lender that, in the event the borrower does not repay the loan, the government will reimburse the lending institution for a portion of its loss. By providing this guaranty, the SBA is able to help tens of thousands of small businesses every year get financing they might not otherwise obtain.

After SBA approval, the lender is notified that its loan has been guaranteed. The lender then will work with the applicant to make sure the terms and conditions are met before closing the loan, disbursing the funds, and assuming responsibility for collection and general servicing. The borrower makes monthly loan payments directly to the lender. As with any loan, the borrower is responsible for repaying the full amount of the loan in a timely manner.

What the SBA Looks for:

- Ability to repay the loan on time from the projected operating cash flow.

- Owners and operators who are of good character.
- Feasible business plan.
- Management expertise and commitment necessary for success.
- Sufficient funds, including the SBA guaranteed loan, to operate the business on a sound financial basis (for new businesses, this includes the resources to meet start-up expenses and the initial operating phase).
- Adequate equity invested in the business.
- Sufficient collateral to secure the loan or all available collateral if the loan cannot be fully secured.

SBAEXPRESS

SBAExpress is available to lenders as a way to obtain a guaranty on smaller loans up to \$350,000. The program authorizes selected experienced lenders to use mostly their own forms, analysis and procedures to process, service and liquidate SBA-guaranteed loans. The SBA guarantees up to 50 percent of an SBAExpress loan. Loans under \$25,000 do not require collateral. Like most 7(a) loans, maturities are usually five to seven years for working capital and up to 25 years for real estate or equipment. Revolving lines of credit are allowed for a maximum of seven years. For a list of lenders in your area, contact your local SBA office available at:

www.sba.gov/localresources/index.html

PATRIOT EXPRESS

The Patriot Express pilot loan initiative is for veterans and members of the military community wanting to establish or expand a small business. Eligible military community members include:

- Veterans;
- Service-disabled veterans;
- Active-duty servicemembers eligible for the military's Transition Assistance Program;
- Reservists and National Guard members;
- Current spouses of any of the above, including a servicemember;
- The widowed spouse of a servicemember or veteran who died during service or of a service-connected disability.

The Patriot Express loan is offered by SBA's widest network of lenders nationwide and features our fastest turnaround time for loan approvals. Loans are available up to \$500,000 and qualify for SBA's maximum guaranty of 85 percent for loans of \$150,000 or less and 75 percent for loans over \$150,000 up to \$500,000. For loans above \$350,000, lenders are required to take all available collateral.

The Patriot Express loan can be used for most business purposes, including start-up,

expansion, equipment purchases, working capital, inventory or business-occupied real-estate purchases.

Patriot Express loans feature SBA's lowest interest rates for business loans, generally 2.25 percent to 4.75 percent over prime depending upon the size and maturity of the loan. Your local SBA district office will have a listing of Patriot Express lenders in your area. More information is at: <http://www.sba.gov/patriotexpress>.

COMMUNITYEXPRESS PILOT LOAN PROGRAM

The CommunityExpress Pilot Loan Program provides streamlined business financing and management and technical assistance to small businesses located in distressed or underserved markets. The CommunityExpress program is offered through hundreds of selected SBA lenders throughout the nation. Under CommunityExpress, approved lenders may use streamlined and expedited loan review and approval procedures to process SBA-guaranteed loans. These lenders may thus use, to the maximum extent possible, their own loan analysis, loan procedures, and loan documentation to process SBA loans to \$250,000. However, borrowers must receive technical assistance to qualify for this program.

SPECIAL PURPOSE 7(A) LOAN PROGRAMS

The 7(a) program is the most flexible of SBA's lending programs. The agency has created several variations to the basic 7(a) program to address the particular financing need of certain small businesses. These special purpose programs are not necessarily for all businesses but may be very applicable to some small businesses. They are generally governed by the same rules, regulations, fees, interest rates, etc. as the regular 7(a) loan guaranty. Lenders can advise you of any variations.

CAPLines

The CAPLines program is designed to help small businesses meet their short-term and cyclical working capital needs. There are five loan programs under the CAPLines umbrella. The programs can be used to finance seasonal working capital needs; finance the direct costs of performing certain construction, service and supply contracts; finance the direct cost associated with commercial and residential construction; finance operating capital by

obtaining advances against existing inventory and accounts receivable; and consolidate short-term debt. SBA provides up to an 85 percent guarantee. There are five distinct programs under the CAPLine umbrella:

- **The Contract Loan Program** is used to finance material and labor needs for a specific contract or contracts. Proceeds can be disbursed before the work begins. If used for one contract, it is generally not revolving; if used for more than one contract at a time, it can be revolving. The loan maturity is usually based on the length of the contract, but no more than five years. Contract payment must be sent directly to the lender.
- **The Seasonal Line of Credit Program** is used to support buildup of inventory, accounts receivable or labor and materials above normal usage for seasonal inventory. The business must have been in business for a period of 12 months and must have a definite established seasonal pattern. The loan may be used over again after a "clean-up" period of 30 days to finance activity for a new season. These also may have a maturity of up to five years. The business may not have another seasonal line of credit outstanding but may have

other lines for non-seasonal working capital needs.

- **The Builders Line Program** provides financing for small contractors or developers to construct or rehabilitate residential or commercial property. Loan maturity is generally three years but can be extended up to five years if necessary to facilitate sale of the property. Proceeds are used solely for direct expenses of acquisition, immediate construction and/or significant rehabilitation of the residential or commercial structures. The purchase of the land can be included if it does not exceed 20 percent of the loan proceeds. Up to 5 percent of the proceeds can be used for physical improvements that benefit the property.
- **The Small Asset-Based Line** is a revolving line of credit (up to \$200,000) that provides short term working capital. These lines are generally used by businesses that provide credit to their customers. Disbursements are based on the size of a borrower's accounts receivable and/or inventory. Repayment comes from the collection of accounts receivable or sale of inventory. It does require periodic servicing and monitoring of the collateral for which the lender can charge up to two percent annually to the borrower.

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- **The Standard Asset-Based Line** is similar to the Small Asset-Based Line, but for loan amounts over \$200,000. It does require stricter servicing and monitoring and the lender may pass these costs along to the borrower.

EXPORT ASSISTANCE TRADE FINANCING

The SBA has help for existing small businesses wanting to export goods and services.

U.S. EXPORT ASSISTANCE CENTER (USEAC)

U.S. Export Assistance Centers, a partnership between SBA, U.S. Department of Commerce staff and the Export-Import Bank of the U.S. in a single location, provide trade promotion and export-finance assistance for small businesses. The USEACs also work closely with other federal, state and local international trade organizations. To find the nearest USEAC, go to: <http://www.sba.gov/aboutsba/sbaprograms/internationaltrade/useac/index.html>.

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EXPORT WORKING CAPITAL PROGRAM

The SBA's Export Working Capital Program assists lenders in meeting the needs of exporters seeking short-term export working capital. This program enables U.S. exporters to obtain loans to fund their direct export costs. The EWCP supports single transactions or revolving lines. The maximum dollar amount of an

export line of credit under this program is \$2 million. SBA guarantees up to 90% of a loan amount or \$1.5 million, whichever is less. Loan maturities are generally for a term of 12 months. The guaranty can be reissued for an additional 12 months through an abbreviated application process. The guaranty fee the SBA charges is 0.25 percent of the guaranteed amount of the loan for the initial 12 months. The borrower negotiates the interest rate and all other fees with the lender. The program offers flexible terms, low fees and a quick processing time. For information, see www.sba.gov/services/financialassistance/sba/aloantopics/SpecialPurposeLoans/ewcp/index.html

Eligibility of Exporter

You must have an operating history of at least one year – not necessarily in exporting. The SBA may waive this requirement if you have sufficient export trade experience or other managerial experience.

Eligible Buyers

The foreign buyer must be a creditworthy entity located in an acceptable foreign country, to both the lender and SBA.

Use of EWCP Proceeds:

- To acquire inventory for export or to be used to manufacture goods for export.
- To pay the manufacturing costs of goods for export.
- To purchase goods or services for export.
- To support standby letters of credit related to export transactions.
- For pre-shipment working capital directly related to export orders.
- For post-shipment foreign accounts receivable financing.

Ineligible Use of Proceeds

- To support the applicant's domestic sales.
- To acquire fixed assets or capital goods for the applicant's business.

- To support a sale where the exporter is not taking title to the goods.
- To acquire, equip, or rent commercial space overseas.
- To serve as a warranty letter of credit.

Collateral Requirements

- Collateral for the manufacturing sector typically consists of a first lien on all export-related inventory and export related accounts receivable.
- Collateral for the service sector typically consists of assignment of proceeds of export-related contracts or purchase orders and a first lien on export-related accounts receivable.
- Other collateral may be required.

How to Apply

A small business exporter seeking a guaranteed EWCP loan must apply to a lender.

SBA Ex-Im Bank Co-Guarantee

This is designed to provide small business exporters the ability to obtain larger export working capital loans through the Export Working Capital Program than SBA could support alone. This program enables U.S. exporters to obtain loans that facilitate the export of goods or services. Under this program, the total export working capital line, with a 90 percent guarantee, cannot exceed \$2 million. Loan maturities are generally for a term of 12 months. At the end of the 12-month maturity, a borrower may reapply for a new guarantee. The SBA guarantee fee is 0.25 percent of the guaranteed amount of the loan for the initial 12 months. The guarantee fee that Ex-Im Bank charges is 0.25 percent on the loan amount that is guaranteed by them. The borrower negotiates the interest rate and all other fees with the lender.

Eligibility of Exporter

The same as for the SBA EWCP Program.

Eligible Buyers

The foreign buyer must be a creditworthy entity located in an acceptable country in conformity with the Ex-Im Bank's Country Limitation Schedule.

Use of Proceeds

Same as the SBA EWCP.

Ineligible Use of Proceeds

- Goods or services with less than 50 percent U.S. content.
- To support the export of any Defense Articles or Defense Services.
- To support the applicant's domestic sales.

- To acquire fixed assets or capital goods for the applicant's business.
- To acquire, equip, or rent commercial space overseas.
- To serve as a Warranty Letter of Credit.

Collateral Requirements

Same as the SBA EWCP.

How to Apply

A small business exporter seeking a co-guaranteed loan must apply to a lender that is a participant in SBA's 7(a) Loan Guaranty Program. PLP and SBAExpress processing are not permitted. The lender must submit a completed Joint Application for Working Capital Guarantee and loan package to SBA. SBA evaluates and processes the application in accordance with SBA rules for its Export Working Capital Program.

INTERNATIONAL TRADE LOAN PROGRAM*

The program helps small businesses engaged or preparing to engage in international trade as well as small businesses adversely affected by competition from imports. This program allows for an increased maximum dollar amount of SBA guaranty outstanding to any one business (and affiliates) from \$1.5 million to \$1.75 million. In order to reach the \$1.75 million SBA guaranty ceiling, the borrower must have an international trade loan as well as an SBA working capital loan or line of credit. The international trade loan provides an SBA guarantee up to \$1.5 million of a term loan used for the acquisition, construction, renovation, modernization, improvement or expansion of long-term fixed assets or the refinancing of an existing loan used for these same purposes. In addition a borrower may have a separate working capital loan (term or line of credit) with a maximum SBA guaranty of \$1.25 million. When combined, the maximum SBA guaranty outstanding to any one business is \$1.75 million. The SBA guaranty fee and interest rates are the same as for any standard 7(a) loans.

Eligibility of Exporter

- Applicants must meet the same eligibility requirements for a 7(a) loan.
- Applicant must establish the loan will significantly expand or develop an export market, or the applicant has been adversely affected by import competition, and, in addition the applicant must show that upgrading equipment or facilities will improve its competitive position.
- If eligibility is based on entering or expanding export sales, the applicant

must submit a one or two page international business plan, including sufficient information to reasonably support the likelihood of expanded export sales.

Use of Proceeds

- For facilities or equipment, including purchasing land and building(s); building new facilities; renovating, improving, or expanding existing facilities; purchasing or reconditioning machinery, equipment and fixtures; and making other improvements that will be used within the United States for producing goods or services.

Collateral Requirements - Collateral requirements are the same as for regular 7(a) loans.

How to Apply - A small business exporter seeking a guaranteed loan must apply to an SBA participating lender. Call your local SBA District Office for a list of participating lenders.

**The International Trade Loan is currently being reviewed for modification. Please check with your local SBA District Office or U.S. Export Assistance Center for the latest information on this loan program.*

EXPORT EXPRESS*

The Export Express program is designed to help SBA meet the export financing needs of small businesses. It is a subprogram of SBAExpress and is therefore subject to the same loan processing, making, closing, servicing, and liquidation requirements as well as the same maturity terms, interest rates, and applicable fees as for other SBA loans except as noted below. The total Export Express loan cannot exceed \$250,000. SBA guarantees 85 percent for loans of \$150,000 and under and 75 percent for loans over \$150,000 to \$250,000. SBA allows participating lenders to make their own credit decisions. SBA provides a quick processing time, less than 36 hours.

Eligible Buyers – The foreign buyer must be a creditworthy entity located in an acceptable country.

Use of Proceeds

- Finance standby letters of credit used for either bid or performance bonds;
- Finance export development activities such as export marketing and promotional activities, participation in foreign trade shows, translation of product literature for foreign markets, and other activities designed to initiate or expand the applicant's export of its products/services from the U.S.;

- Provide transaction-specific financing for overseas orders;
- Provide revolving lines of credit for export purposes, the term of which must not exceed seven years. In some instances, as a normal course of business, the borrower may use portions of revolving lines of credit for domestic purposes, but no less than 70 percent of the revolver to be used for export related purposes;
- Provide term loans and other financing to enable small business concerns, including small business export trading companies to develop foreign markets; and
- Acquire, construct, renovate, modernize, improve or expand production facilities or equipment to be used in the U.S. in the production of goods or services to be exported from the U.S.

Ineligible Use of Proceeds

Proceeds may not be used to finance overseas operations, other than those strictly associated with the marketing and/or distribution of products/services exported from the U.S.

How to Apply

The application process is the same for the SBAExpress, except the applicant must demonstrate that loan proceeds will enable it to enter a new export market or expand an existing export market. The applicant must submit to the lender a plan that includes projected export sales for the upcoming year as well as the dollar volume of export sales for the previous year.

**Terms and conditions of the Export Express, as noted above, are being evaluated for modification to include increased lending limit and transparency of processing.*

COMMUNITY ADJUSTMENT AND INVESTMENT PROGRAM

The Community Adjustment & Investment Program helps communities that suffered job losses due to changing trade patterns following the North American Free Trade Agreement. The North American Development Bank has partnered with the SBA and the U.S. Departments of Agriculture and the Treasury to make credit available to businesses in affected communities to help create or retain jobs.

SBA's non-7(a) Loan Programs

In addition to the 7(a) Loan Program SBA has four other non-disaster assistance programs which can help small businesses gain access to capital and bonding.

CERTIFIED DEVELOPMENT COMPANY LOAN PROGRAM (504 LOANS)

The 504 Loan Program is an economic development program that supports American small business growth and helps communities through business expansion and job creation. This SBA program provides long-term, fixed-rate, subordinate mortgage financing for acquisition and/or renovation of capital assets including land, buildings and equipment. Most for-profit small businesses are eligible for this program. The types of businesses excluded from 7(a) loans (listed previously) are also excluded from the 504 loan program.

Loans are provided through Certified Development Companies. CDCs work with banks and other lenders to make loans in first position on reasonable terms, helping lenders retain growing customers and provide Community Redevelopment Act credit.

The SBA 504 loan is distinguished from the SBA 7(a) loan program in these ways:

The maximum debenture, or long-term loan, is:

- \$1.5 million for businesses that create a certain number of jobs or improve the economy of the locality;
- \$2 million for businesses that meet a specific public policy goal, including veterans; and
- \$4 million for manufacturers.

Recent additions to the program allow \$4 million for each project that reduces the borrower's energy consumption by at least 10 percent; and \$4 million for each project that generates renewable energy fuels, such as biodiesel or ethanol production. Projects eligible for up to \$4 million under one of these two requirements do not have to meet the job creation or retention requirement, so long as the CDC portfolio average is at least \$50,000.

- Eligible project costs are limited to long-term, fixed assets such as land and building (occupied by the borrower) and substantial machinery and equipment. Working capital is not an eligible use of proceeds.
- Most borrowers are required to make an injection (borrower contribution) of just 10 percent which allows the business to conserve valuable operating capital. A further injection of 5 percent is needed if the business is a start-up or new (less than 2 years old) and a further injection of 5 percent is also required if the primary collateral will be a single purpose building.
- Two-tiered project financing: a lender finances approximately 50 percent of the project cost and receives a first lien on the



project assets (but no SBA guaranty); A CDC (backed by a 100% SBA-guaranteed debenture) finances up to 40% of the project costs secured with a junior lien. The borrower provides the balance of the project costs.

- Fixed interest rate on SBA loan. SBA guarantees the debenture 100 percent. Debentures are sold in pools monthly to private investors. This low, fixed rate is then passed on to the borrower and establishes the basis for the loan rate. A recent history of debenture rates may be found at www.nadco.org.
- All project-related costs can be financed, including acquisition (land and building, land and construction of building, renovations, machinery and equipment) and soft costs, such as title insurance and appraisals. Some closing costs may be financed.
- Collateral is typically a subordinate lien on the assets financed; allows other assets to be free of liens and available to secure other needed financing.
- Long-term real estate loans are up to 20-year term, heavy equipment 10 or 20-year term and are self-amortizing.

Businesses that receive 504 loans are:

- Small — net worth under \$8.5 million, net profit after taxes under \$3 million, or meet other SBA size standards.
- Organized for-profit.
- Most types of business — retail, service, wholesale or manufacturing.

The SBA's 504 certified development companies serve their communities by financing business expansion needs. Their professional staffs work directly with borrowers to tailor a financing package that meets program guidelines and the credit capacity of the borrower's business. For

information, visit www.sba.gov/services, then choose "SBA Loans" from the links in the right-hand column. Click on "CDC/504 Program."

Bay Colony Development Corporation

1601 Trapelo Rd., Ste. 222
Waltham, MA 02451
David King, Managing Trustee
781-891-3594 • 781-647-4950 Fax
Area of Operation: Statewide

Cape & Islands Community Development, Inc.

5 Shoot Flying Hill Rd.
Centerville, MA 02632
Jeannine Marshall, Executive Director
508-362-5709
Area of Operation: Statewide

Dorchester Bay Neighborhood Loan Fund, Inc.

594 Columbia Rd., Ste. 302
Dorchester, MA 02125
Christo Banda, Director of Small Business
617-825-4200 • 617-825-3522 Fax
Area of Operation: Statewide

Granite State Development Corporation

dba New England Business Finance
One Cate St.
Portsmouth, NH 03801
603-436-0009
Or
8 Rock Rd.
Attleboro, MA 02703
Matt Collins
508-294-6822 • 508-761-8899 Fax
Area of Operation: Statewide

New England Certified Development Corporation

500 Edgewater Dr., Ste. 555
Wakefield, MA 01880
Elizabeth Trifone, Senior Vice President & Director of SBA Lending
781-928-1100 • 781-928-1101 Fax
Area of Operation: Statewide

Ocean State Business Development Authority (OSBDA)

155 S. Main St., Ste. 301
Providence, RI 02903
Henry Violet, President
401-454-4560
Areas of Operation: Bristol, Norfolk and Worcester counties.

South Eastern Economic Development Corporation

80 Dean St.
Taunton, MA 02780
Maria Gooch-Smith, Executive Director
508-822-1020 • 508-880-7869 Fax
Area of Operation: Statewide

South Shore Economic Development Corporation

36 Miller Stile Rd., Box 690625
Quincy, MA 02269
Kimberly Gomer
617-786-1546 • 617-479-9274 Fax
Area of Operation: Statewide

Worcester Business Development Corporation

89 Shrewsbury St., Ste. 300
Worcester, MA 01604
David Forsberg, President
508-755-5734 • 508-755-9639 Fax
Area of Operation: Statewide

MICROLOAN PROGRAM

The Microloan Program provides small loans ranging from under \$500 to \$35,000. Under this program, the SBA makes funds available to nonprofit intermediaries that, in turn, make the loans directly to entrepreneurs, including veterans. Proceeds can be used for typical business purposes such as working capital, machinery and equipment, inventory and leasehold improvements. Interest rates are negotiated between the borrower and the intermediary.

For more information, go to **www.sba.gov/services**, then choose "SBA Loans" from the links in the right-hand column. From there, click on "Micro Loans."

Dorchester Bay Economic Dev. Corp.

594 Columbia Rd., Ste. 302
Dorchester, MA 02125
Contact: Christo R. Banda,
Director of Small Business
cbanda@dbedc.com
617-825-4200 • 617-825-3522 Fax
Service area: Lower Roxbury and Dorchester

Economic Dev. Industrial Corp. of Lynn

Lynn City Hall, 3 City Hall Sq., Rm. 401
Lynn, MA 01901
James Cowdell, Executive Director
Contact: Mary Jane Smalley
mshalley@ediclyn.org
781-581-9399 • 781-581-9731 Fax
Service Area: City of Lynn.

Economic Stabilization Trust

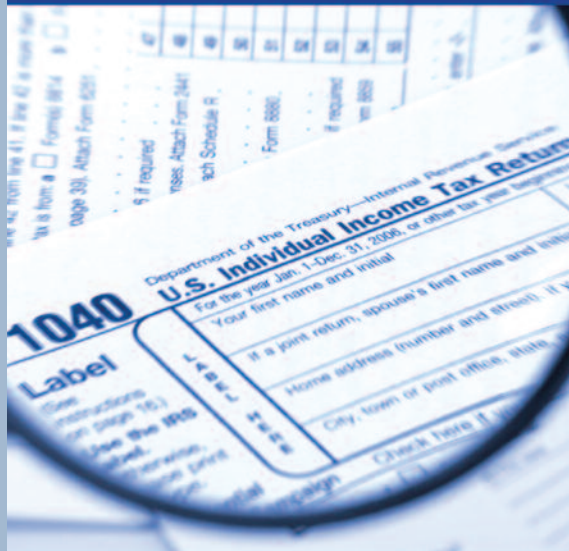
The Schrafft Center
529 Main St., Ste. 110
Boston, MA 02129
Christian Perkins, Executive Director
Contact: Edward Hitchcock
ehitchcock@commcorp.org
617-727-8158 • 617-242-7660 Fax
Service area: Middlesex and Essex Counties, except for the city of Lynn.

Jobs for Fall River, Inc.

One Government Center
Fall River, MA 02722
Kenneth Fiola, Executive Director
Contact: Stephen Parr
froedma@aol.com
508-324-2620 • 508-677-2840 Fax
Service Area: City of Fall River

BUSINESS DIRECTORY

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The MSCPAonline.org Find a CPA Directory is an interactive database of participating MSCPA members. The purpose of this directory is for businesses and consumers to find a CPA firm to provide services.

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www.mscaonline.org/public/find_cpa.php

If you are looking to contact CPAs for other purposes, please review our media kit for more information:
www.mscaonline.org/about/advertising.php

 **Massachusetts Society of
Certified Public Accountants, Inc.**

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New Bedford Economic Development

Barbara Brunkemeyer
700 Pleasant St., 4th Fl.
New Bedford, MA 02740
bbrunkemeyer@nbedc.org
508-991-3122 • 508-991-7372 Fax
Service area: City of New Bedford

South Eastern Economic Development Corporation/SEED

80 Dean St.
Taunton, MA 02780
Contact: Maria Gooch Smith,
Executive Director
info@seedcorp.com
508-822-1020 • 508-880-7869 Fax
Service Area: SE Massachusetts - Norfolk,
Bristol, Plymouth, Barnstable, Dukes and
Nantucket counties.

Western Massachusetts Enterprise Fund

Four Open Square Way, Ste. 407
Holyoke, MA 01040
Christopher Sikes, Executive Director
Contact: Christine Murphy
cmurphy@wmef.org
Web: www.wmef.org
413-420-0183 • 413-420-0543 Fax
Service Area: Berkshire, Franklin, Hampshire,
Hampden Counties and parts of Worcester
County.

Non-SBA Microlender Accion USA

56 Roland St., Ste. 300
Boston, MA 02129
617-625-7080
www.accionusa.org

SMALL BUSINESS INVESTMENT COMPANY PROGRAM

There are a variety of alternatives to bank financing for small businesses, especially business start-ups. The Small Business Investment Company Program fills the gap between the availability of venture capital and the needs of small businesses in start-up and growth situations. Licensed and regulated by the SBA, SBICs are privately owned and managed investment funds that make capital available to qualifying U.S. small businesses through investments or loans. They use their own funds plus funds obtained at favorable rates with SBA guarantees. SBICs are for-profit firms whose incentive is to share in the success of a small business. In addition to equity and debt investments, SBICs provide managerial, operational and technical assistance. The SBIC Program provides funding for a broad range of industries and stage of investment, in areas across the country. Some SBICs invest in a particular field or industry while others invest more



generally. Most SBICs concentrate on a particular stage of investment such as start-up or expansion and focus on a specific geographic area. For more information visit <http://www.sba.gov/aboutsba/sbaprograms/inv/index.html>.

SBIC LICENSEES LOCATED IN MASSACHUSETTS

Ascent Venture Partners II, L.P.

Walter Dick, General Partner
255 State St., 5th Fl.
Boston, MA 02109
617-720-9400 • 617-720-9401 Fax
tscanlon@ascentvp.com
Investment Criteria
Investment Size Range:
Preferred Min: \$1,000,000
Preferred Max: \$3,000,000
Type of Capital Provided: Equity, Debt
w/Equity
Funding Stage Preference: Seed Early Stage
Expansion
Industry Preference: Network and
Communication Systems, Enterprise
Software, Medical, Specialized IT Services,
Industrial Technology.
Geographic Preferences: New England.

Ascent Venture Partners IV-A, L.P.

Brian Girvan, Contact
255 State St., 5th Fl.
Boston, MA 02109
617-720-9400 • 617-720-9401 Fax
tscanlon@ascentvp.com

Brook Venture Fund IIA, L.P.

Andrew Clapp, Contact
301 Edgewater Place, Ste. 425
Wakefield, MA 01880
781-295-4000 • 781-295-4007 Fax
nm@brookventure.com

Chestnut Venture Partners, L.P.

David D. Croll, President
75 State St., Ste. 2500
Boston, MA 02109
617-345-7220 • 617-345-7201 Fax
dcroll@mcventurepartners.com
Type of Capital Provided: Equity, Debt
w/Equity Features
Funding Stage Preference: Any Stage
Industry Preference: Media,
Telecommunications
Geographic Preferences: National

Citizens Ventures, Inc.

Scott Sullivan, V.P. of Finance
28 State St., 15th Fl.
Boston, MA 02109
617-994-7177 • 617-725-5630 Fax
scott@citizenscapital.com
Type of Capital Provided: Subordinated Debt,
Equity
Funding Stage Preference: MBO Acquisition
Growth
Geographic Preferences: Northeast, Midwest,
Southeast.

Draper Fisher Jurvetson

New England Fund I
Todd Hixon, Contact
One Broadway, 14th Fl.
Cambridge, MA 02142
617-758-4213 • 617-758-4101 Fax
todd@dfjnc.com

Exeter Capital Partners IV, L.P.

Keith Fox, Kurt Bergquist, Jeff Weber
One Liberty Sq., 12th Fl.
Boston, MA 02109
617-224-0100 • 617-892-4311 Fax
Keith.Fox@exeterfunds.com
Investment Criteria:
Investment Size Range:
Preferred Min: \$1,000,000
Preferred Max: \$3,000,000
Type of Capital Provided: Equity Investments
Funding Stage Preference:
Development - 10% to 20%
Expansion - 20% to 50%
Later stage - 35% to 65%
Industry Preference: Diversified
Geographic Preferences: National

Gemini Investors III, L.P.

David F. Millet, Contact
20 William St.
Wellesley, MA 02481
781-237-7001 • 781-237-7233 Fax
mkeis@gemini-investors.com

Gemini Investors IV, L.P.

Matt Keis, Contact
20 William St., Ste. 250
Wellesley, MA 02481
781-237-7001 • 781-237-7233 Fax
mkeis@gemini-investors.com

GMN Investors II, L.P.

James J. Goodman, Manager
 20 William St., Ste. 250
 Wellesley, MA 02481
 781-237-7001 • 781-237-7233 Fax
 dmillet@gemini-investors.com
 Investment Criteria:
 Investment Size Range:
 Preferred Min: \$2,000,000
 Preferred Max: \$6,000,000
 Type of Capital Provided: Equity
 Funding Stage Preference: Later Stage
 Description of Firm's Focus:
 Focus is on later stage expansion and acquisition capital for middle-market companies with revenues between \$5 and \$50 million.

Ironwood Equity Fund LP

18 Tremont St., Ste. 1120
 Boston, MA 02108
 617-723-6747 • 617-723-6746 Fax

Longworth Venture Partners II-A, L.P.

Paul A. Margolis, Contact
 1050 Winter St., Ste. 2600
 Waltham, MA 02451
 781-663-3600 • 781-663-3619 Fax
 lawrence@longworth.com

Masthead Venture Partners Capital, L.P.

Timothy Agnew, Contact
 55 Cambridge Pkwy., Ste. 103
 Cambridge, MA 02142
 617-621-3000 • 617-621-3055 Fax
 tim@mvpartners.com

North Hill Ventures II, L.P.

Brett Rome, Contact
 Ten Post Office Sq., Ste. 1100
 Boston, MA 02109
 617-788-2150 • 617-788-2152 Fax
 brettj.rome@capitalone.com

RockPort Capital Partners, L.P.

Bettina Metais, Contact
 160 Federal St., 18th Fl.
 Boston, MA 02110
 617-912-1420 • 617-912-1449 Fax
 bmetais@rockportcap.com
 Investment Criteria:
 Investment Size Range:
 Preferred Min: \$500,000
 Preferred Max: \$5,000,000
 Type of Capital Provided: Equity, Debt w/Equity
 Funding Stage Preference: Early Stage Expansion
 Industry Preference: Energy Technologies, Environmental Technologies, Advanced Materials & Processes.
 Geographic Preferences: New England
 Description of Firm's Focus: Invests in leading-edge technology with the potential to significantly impact industries superior management team; large markets with high growth rate; and sustainable competitive advantages.

Seacoast Capital Partners II, L.P.

Walt Leonard, Contact
 55 Ferncroft Rd.
 Danvers, MA 01923
 978-750-1300 • 978-750-1301 Fax
 wleon@seacoastcapital.com

SEED Ventures, L.P.

Thomas Wooters, Contact
 80 Dean St.
 Taunton, MA 02780
 508-822-1020 • 508-880-7869 Fax
 tom@seedvf.com

Summer Street Capital Fund I, L.P.

Richard Steele
 171 Dwight Rd., Ste. 310
 Longmeadow, MA 01106
 413-567-3366 • 413-567-6556 Fax

Ticonderoga SBIC, L.P.

Craig A.T. Jones, Contact
 230 Third Ave.
 Waltham, MA 02451
 781-416-3400 • 781-416-9868 Fax
 cjones@ticonderogacap.com

Velocity Equity Partners I SBIC, L.P.

David Vogel, Contact
 50 Salem St., Bldg. B
 Lynnfield, MA 01940
 617-338-2545 • 617-261-3864 Fax
 jvogel@velocityep.com

Venture Capital Fund of New England IV, LP

Kevin J. Dougherty, Contact
 30 Washington St.
 Wellesley Hills, MA 02481
 781-431-8400 • 781-237-6578 Fax
 kdougherty@vcfne.com

THE SURETY BOND GUARANTEE PROGRAM

The Surety Bond Guarantee Program is a public-private partnership between the federal government and the surety industry providing small businesses with the bonding assistance necessary for them to compete for government and private contracting opportunities. The guarantee provides the necessary incentive for sureties to bond small businesses that would otherwise be unable to obtain bonding. The program is aimed at small businesses that lack the combination of working capital and performance track record necessary to secure bonding on a reasonable basis through regular commercial channels.

Through this program, the SBA guarantees bid, payment, performance and necessary ancillary bonds issued by surety companies for individual contracts of up to \$2 million (\$5 million under the American Recovery and Reinvestment Act) on behalf of eligible small construction, service, and

supply contractors. The SBA reimburses sureties a predetermined percentage of losses sustained if a contractor breaches the terms of the contract.

The SBA has two program options available, the Prior Approval Program (Plan A) and the Preferred Surety Bond Program (Plan B). In the Prior Approval Program, SBA guarantees 90 percent of a surety's paid losses and expenses on bonded contracts up to \$100,000, and on bonds for socially and economically disadvantaged and HUBZone contractors and veterans and service-disabled veterans. All other bonds guaranteed in the Plan A Program receive an 80 percent guarantee. Sureties must obtain SBA's prior approval for each bond guarantee issued. Under the PSB Program, SBA guarantees 70 percent, but sureties may issue, monitor and service bonds without SBA's prior approval.

For more information on the Surety Bond Guarantee Program, visit SBA's Web site at www.sba.gov/osg.

Barbour Group, LLC

20 Liberty St., Ste. 2D
 Westminster, MD 21157
 410-876-9610

Bradley Insurance & Bonding Inc.

Marybeth Bradley
 27 Linda Ln.
 Weymouth, MA 02188
 781-340-3900

CCI Surety, Inc.

1710 N. Douglas Dr., Ste. 110
 Golden Valley, MN 55422
 763-543-6993

Eastern Insurance Group, LLC

Ellen Young
 233 W. Central St.
 Natick, MA 01760
 800-333-7234

John L. Danehy Insurance Agency

Susan Glazier
 2294 Massachusetts Ave.
 Cambridge, MA 02140
 617-547-6800

Northeast Surety, LLC

Kenneth Coco
 3 Forest Park Dr.
 Farmington, CT 06032
 860-674-0123



LOAN GUARANTY PROGRAMS

(Information current as of April 2009)

U.S. Small Business Administration

Program	Maximum Amount	Percent of Guaranty	Use of Proceeds	Maturity	Maximum Interest Rates	Guaranty Fees	Who Qualifies	Benefits to Borrowers
7(a) Loans								
SBA approves	\$2 million gross (\$1.5 million guaranty)	Check with local SBA District Office for current information.	Expansion/renovation; new construction, purchase land or buildings; purchase equipment, fixtures, lease-hold improvements; working capital; refinance debt for compelling reasons; seasonal line of credit, inventory	Depends on ability to repay. Generally working capital & machinery & equipment (not to exceed life of equipment) is 5-10 years; real estate is 25 years.	Check with local SBA District Office for current information.	Check with local SBA District Office for current information.	Must be for profit & meet SBA size standards; show good character, credit, management, & ability to repay. Must be an eligible type of business.	Long-term financing; Improved cash flow; Fixed maturity; No balloons; No prepayment penalty (under 15 years)
www.sba.gov/services/financialassistance/sba.oantopics/7a/index.html								
SBAExpress Lender approves. Minimal SBA paperwork.	\$350,000	Check with local SBA District Office for current information.	May be used for revolving lines of credit (up to 7 year maturity) or for a term loan (same as 7(a)).	See 7(a)	Check with local SBA District Office for current information.	Check with local SBA District Office for current information.	See 7(a)	Faster turnaround; Streamlined process; Easy-to-use line of credit
www.sba.gov/services/financialassistance/7alenderprograms								
Community Express. Lender approves. Minimal SBA paperwork.	\$250,000	Check with local SBA District Office for current information.	May be used for revolving lines of credit (up to 7 year maturity) or for a term loan (same as 7(a)).	See 7(a)	Check with local SBA District Office for current information.	Check with local SBA District Office for current information.	HUBZones; LMI areas; All loans of \$25,000 or less	Faster turnaround; Streamlined process; Easy-to-use line of credit. Technical assistance provided
www.sba.gov/services/financialassistance/7alenderprograms								
Patriot Express Lender approves loan. Minimal additional SBA paperwork.	\$500,000	Check with local SBA District Office for current information.	See 7(a)	See 7(a)	Check with local SBA District Office for current information.	Check with local SBA District Office for current information.	See 7(a). In addition, small business must be owned & controlled by one or more of the following groups equaling 51% total ownership: veteran, active-duty military, reservist or National Guard member or a spouse of any of these groups, or a widowed spouse of a service member or veteran who died during service or of a service connected disability.	Lower interest rate maximums than other SBA Express programs. Less paperwork. Fast turnaround. Expanded eligibility. Electronic application
www.sba.gov/services/financialassistance/7alenderprograms								
CAPLines: Short-term/Revolving Lines of Credit; Seasonal Contract Builders Standard/ Small Asset-Based	\$2 million (small asset based limited to \$200,000)	Check with local SBA District Office for current information.	Finance seasonal working capital needs; cost to perform; construction costs, advances against existing inventory and receivables, consolidation of short-term debts.	Up to 5 years	Check with local SBA District Office for current information.	Check with local SBA District Office for current information.	See 7(a) Existing business	Funds short-term working capital. Various lines of credit; Allows business to obtain contracts; Larger in size for business growth; Can be used to create current assets; Can be used to finance existing current assets
www.sba.gov/services/financialassistance/SpecialPurposeLoans								
International Trade	\$2 million (separate working-capital loan + IT loan together may have \$1.75 million combined guaranty but the guaranty portion cannot exceed \$1.25 million)	Check with local SBA District Office for current information.	IT loan must be used only for the acquisition of long-term, fixed assets. A separate working-capital loan may be used for working capital needs associated with international trade.	Up to 25 years.	Check with local SBA District Office for current information.	Check with local SBA District Office for current information.	Small businesses (see 7(a) for qualifications) engaged/preparing to engage in international trade/adversely affected by competition from imports.	Long-term financing for land and building where assets are used to produce products for export.
www.sba.gov/services/financialassistance/SpecialPurposeLoans								
Export Working Capital Program 1-page application, fast turnaround, may apply for prequalification letter.	\$2 million (may be combined with International Trade loan)	Check with local SBA District Office for current information.	Short-term, working-capital loans for exporters.	Matched single transaction cycle or generally 1 yr. for line of credit.	Check with local SBA District Office for current information.	Check with local SBA District Office for current information.	Small businesses 7(a) for other qualifications, those who need short-term working capital.	Short-term working capital for export needs; Inexpensive minimum guaranty fee 1/4 of 1%; Revolving or transaction based; Allows specific financing for exporting without disrupting domestic financing & business plan
www.sba.gov/services/financialassistance/SpecialPurposeLoans								
Non-7(a) Loans								
Microloans Loans through non-profit lending organizations; technical assistance also provided.	\$35,000 (total loan amount to small business borrower)	Check with local SBA District Office for current information.	Purchase machinery & equipment, fixtures, lease-hold improvements; finance increased receivables; working capital. Cannot be used to repay existing debt.	Shortest term possible, not to exceed 6 years	Check with local SBA District Office for current information.	Check with local SBA District Office for current information.	Same as 7(a) except non-profit day care	Direct loans from non-profit intermediary lenders; Fixed-rate financing; Very small loan amounts; Technical assistance available
www.sba.gov/services/financialassistance/sbaloantopics								
504 Loans Provided through Certified Development Companies (CDCs) which are licensed by SBA.	504 loan maximum amount ranges from \$1.5 million to \$4.0 million depending on type business.	Check with local SBA District Office for current information.	Long-term, fixed-asset loans; Lender (non-guaranteed) financing secured by first lien on project assets. 504 loan provided from SBA 100% guaranteed debenture sold to investors at fixed rate secured by 2nd lien.	504 Loan: 10- or 20-year term; Lender (unguaranteed) financing may have a shorter term.	Check with local SBA District Office for current information.	Check with local SBA District Office for current information.	For profit businesses that do not exceed \$8.5 million in tangible net worth and do not have average net income over \$3 million for past 2 years.	Long-term fixed rate; Low down payment; Full amortization; no balloons
www.sba.gov/services/financialassistance/sbaloantopics								

MCS 0036 04/02/09