

U.S. Small Business Administration



Your Small Business Resource

**U.S. Small Business Administration**

# **SBA Programs & Services**



**The SBA Advantage — *Resources and Programs for Success***

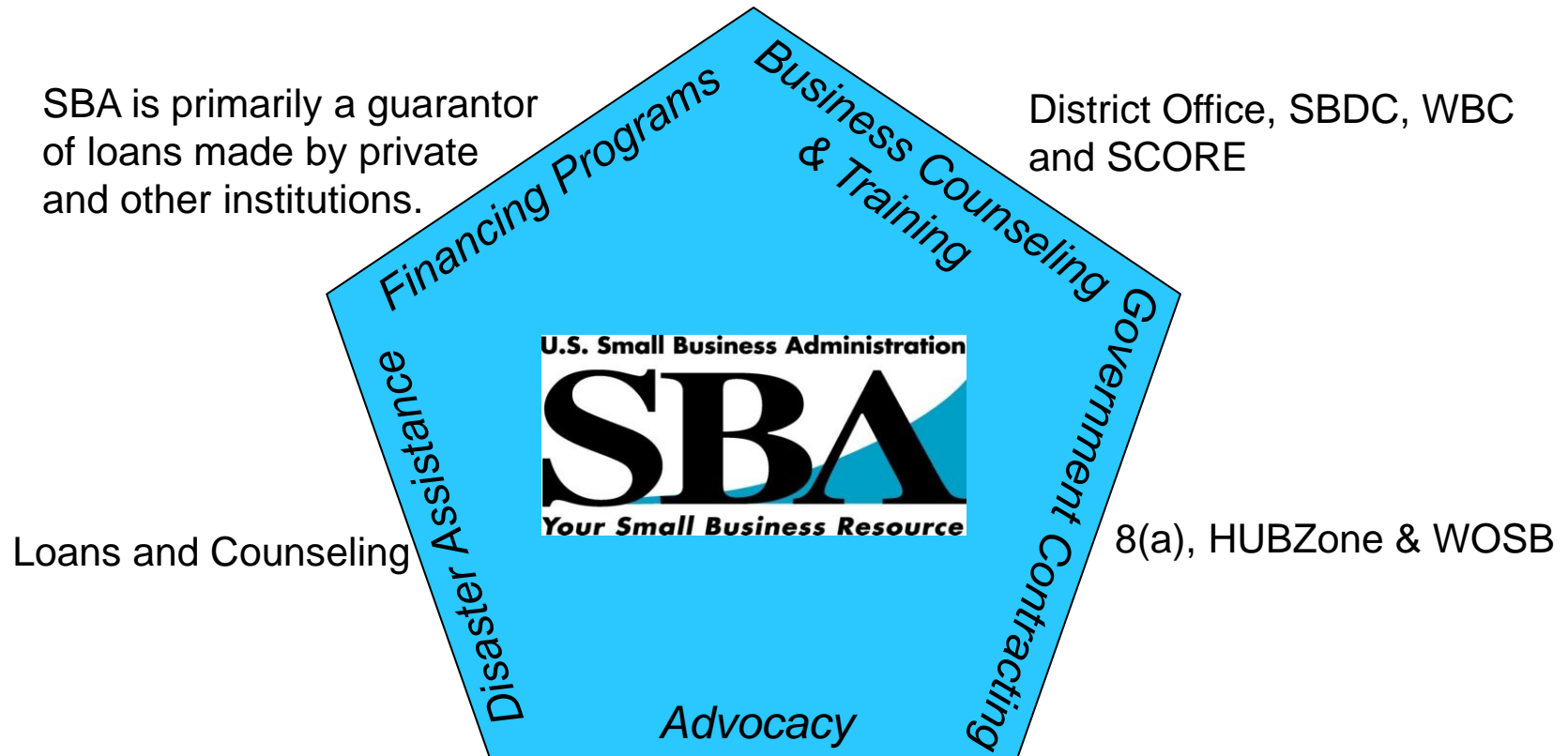
# SBA 5 Pillars of Service to Small Business

Millions of entrepreneurs use SBA resources and programs to:

- Start or grow a business
- Effectively compete in the market place

SBA is primarily a guarantor of loans made by private and other institutions.

District Office, SBDC, WBC and SCORE



The SBA does not offer grants to start or grow small businesses.

# Do You Know the Financing Options Available from the SBA?

Small Business Loans

Loans for Land & Buildings

Venture Capital Investing

Export Assistance

Disaster Assistance



# The 7(a) Loan Program

## 7 (a) Loan Program Details

- SBA's Primary Business Loan Program
- Broad eligibility requirements
- Wide range financing options
- Maximum loan amount increased from \$2 million to **\$5 million**
- 85% guarantee on loans up to \$150,000
- 75% on loans > \$150,000

## 7(a) Loan Program Maturities & Interest Rates

- 5-10 years for working capital, machinery, equipment
- Up to 25 years for real estate, construction
- Prime + 2.25% for loans of 7 years or less
- Prime + 2.75% for loans over 7 years
- Rates can be higher for smaller loans

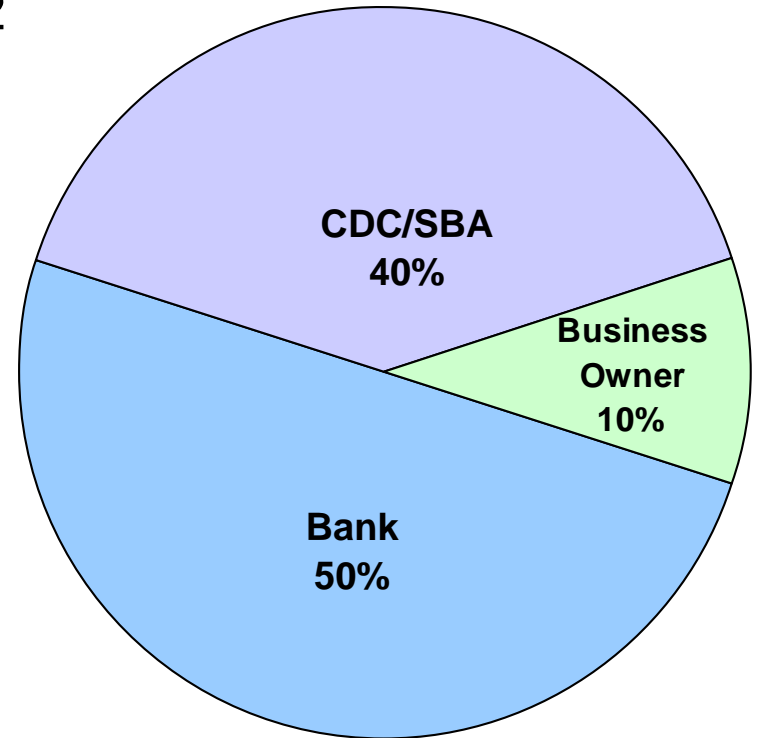
## 7(a) Program Guarantee Fees

- 2% on loans up to \$150,000
- 3% on loans \$150,001 to \$700,000
- 3.5% on loans \$700,001 to \$1 million
- 3.75% on loans > \$1 million

# 504/Certified Development Company

## Program Details

- Maximum Loan Amount: increases from \$2 million to **\$5 million**
- 1.5% origination fees
- Maximum guaranty: 100% SBA's portion
- Uses: Long-Term; Fixed Assets
- Maturity: Generally 10 - 20 years
- Maximum Interest: Fixed rate established when debenture backing sold



# SBA Express

## General Details

- Maximum loan amount: increased from \$350,000 to **\$1 million**
- Maximum Guaranty: 50%
- Uses: revolving line of credit/term loan



## Interest Rate

- Maximum interest:  
Prime +6.5% for less than \$50,000  
Prime +4.5% for more than \$50,000

## Guaranty Fees

- Vary with amount/type of loan

# Microloans

## General Details

- Maximum loan amount: increases from \$35,000 to **\$50,000**
- No Loan Fees Applied
- Maturity: shortest term possible (6 years or less)
- Maximum Interest Rate: Negotiable with intermediary

## Uses

- Purchase machinery, equipment, fixtures, working capital, leasehold improvements, increased receivables

For more information visit:

[http://www.sba.gov/localresources/district/ny/ny/ny\\_nymicro.html](http://www.sba.gov/localresources/district/ny/ny/ny_nymicro.html)

# Advantage Loan Initiatives

Expanding opportunities for entrepreneurs and small business owners in underserved communities

## General Details

Streamlined application for 7(a) loans up to \$250,000

### **Guarantees:**

- 85% on loans up to \$150,000
- 75% on loans >\$150,001

### **Small Loan Advantage**

- Available to PLP participants across the country

### **Community Advantage**

- Open to mission-focuses lenders (i.e. CDCs, Microloan intermediaries, etc.)



# International Trade

## Export Express

- Helps small businesses develop or expand their export markets.
- **Maximum loan amount:** increases from \$250,0000 to **\$500,00**
- **Maturity:** 5 to 10 years for working capital, 10 to 15 years for machinery and equipment and up to 25 years for real estate
- **Maximum Interest Rate:** Prime + 2.25% for loans of 7 years or less, Prime + 2.75% for loans over 7 years

## Export Working Capital Program

- Loans are targeted to small businesses that are able to generate export sales and need additional working capital to support these sales.
- **Maximum loan amount:** increases from \$2 million to **\$5 million**
- **Maturity:** EWCP loans are typically issued for one year
- **Maximum Interest Rate:** Same as Export Express

## International Trade Program

- Offers term loans to businesses that plan to start or continue exporting or that have been adversely affected by competition from imports.
- **Maximum loan amount:** increases from \$2 million to **\$5 million**
- **Maturity:** Maturity: 5 to 10 years for working capital, 10 to 15 years for machinery and equipment and up to 25 years for real estate
- **Maximum Interest Rate:** Same as Export Express

# SBIC Program

SBICs are licensed and regulated by the SBA, privately owned and managed investment firms that provide venture capital and start-up financing to businesses.

For more information visit:

[www.sba.gov/localresources/district/ny/ny/ny\\_nysbic.html](http://www.sba.gov/localresources/district/ny/ny/ny_nysbic.html)

# Other Jobs Act Enhancements

## Alternative Size Standards

- Increases alternate size standard to small businesses with less than \$15 million in net worth and \$5 million in average net income.

## Commercial Real Estate Re-Financing

- Temporarily allows small businesses to re-finance owner-occupied commercial real estate mortgages in 504 Program.

For more information visit:  
<http://www.sba.gov/jobsact>

# Beyond SBA

## Department of Treasury

- \$30 billion for new Small Business Lending Fund
- Low-cost capital for community banks, with incentives to go beyond 2009 level
- \$1.5 billion to State Small Business Credit Initiative:
  - NY to receive \$55.3 million

# Government Contracting

The U.S. government is the world's largest buyer of products and services.

In 2009, it purchased over \$425 billion dollars in products and services.

## Government-Wide Small Business Contracting Goals:

23 Percent	For small businesses in general
5 Percent	For SDB's
3 Percent	For HubZone businesses
3 Percent	For Service Disabled Veterans

\*Both federal contractors and prime contractors are looking for the above small business categories.

## **8(a) Business Development Certification Program**

Provides a broad scope of training and assistance to socially and economically disadvantaged firms.

Must be in business for at least two years with a product or service that the federal government procures.

## **HUBZone: (Historically Underutilized Business Zones)**

Provides federal contracting opportunities for qualified small businesses located in distressed census tract areas.

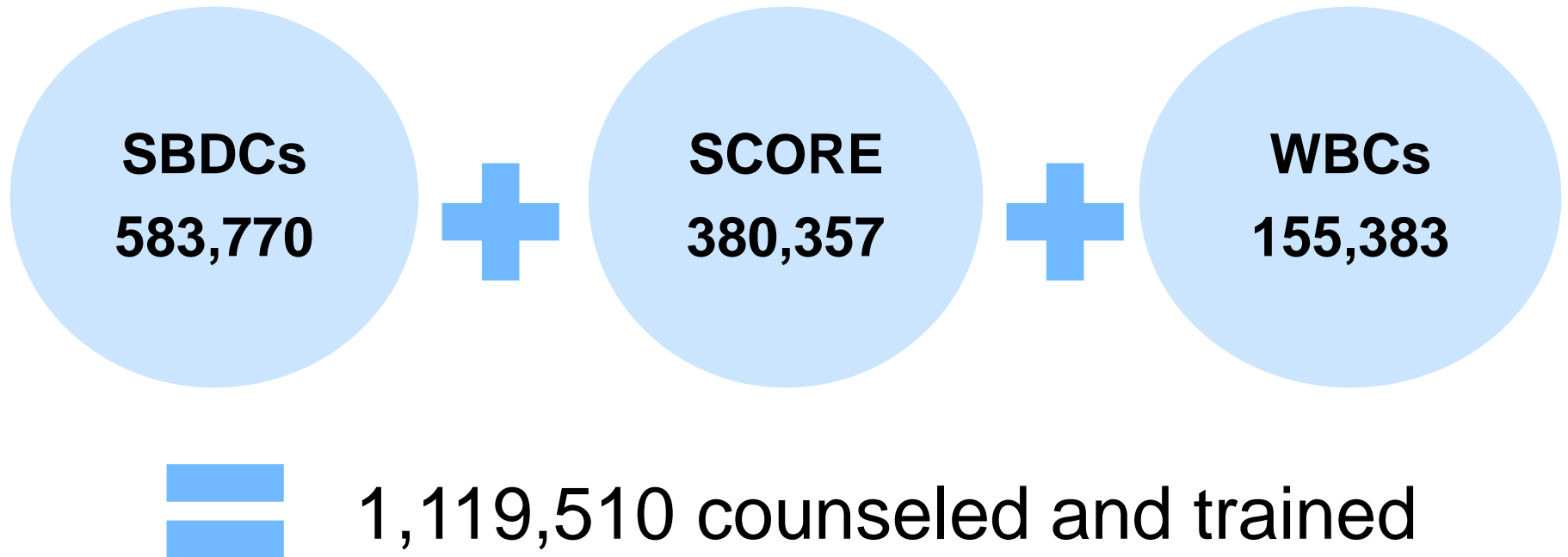
Visit [www.sba.gov/HUBZone](http://www.sba.gov/HUBZone) for more information.

# ***Women-owned Small Business (WOSB)***

- **83** industries in which women-owned small businesses are under-represented
- Set aside specified contracting opportunities for certified WOSB's :
  - Manufacturing contract value set aside: up to \$5 million
  - All other contract value set aside: up to \$3 million
- Assists federal agencies in achieving the existing statutory goal of 5% to WOSB
- For more, visit [www.sba.gov/wosb](http://www.sba.gov/wosb).

# Business Counseling and Training

The SBA and its resource partners: SCORE: Counselors to America's Small Business, Small Business Development Centers, and the Women's Business Centers provide free business counseling and training.

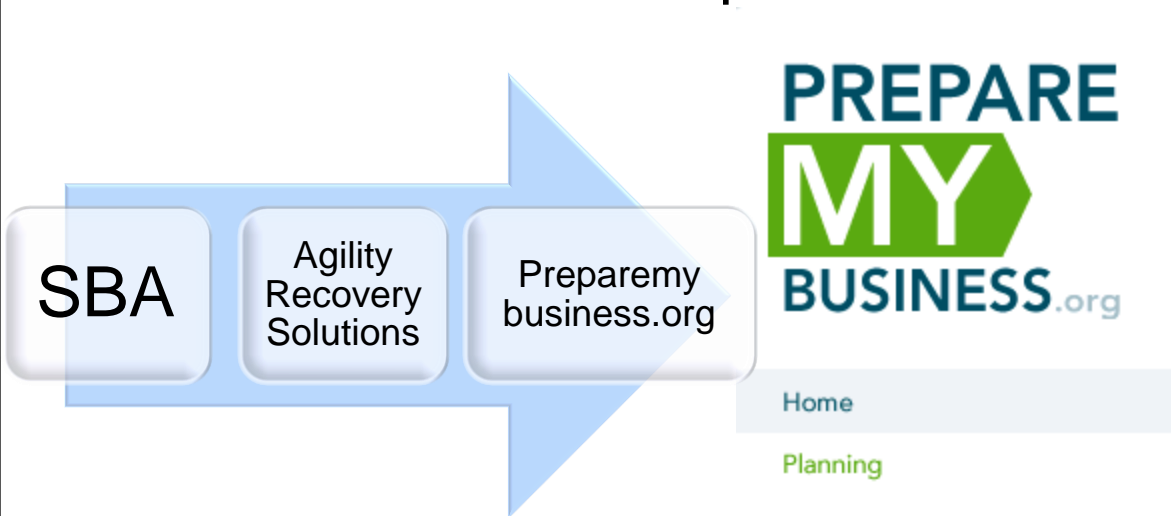


\*Figures are from 2009



# Disaster Assistance

- SBA provides disaster assistance via affordable loans to homeowners, renters and businesses.
- SBA Disaster Preparedness



- Home
- Planning
- Education
- Testing
- Disaster Assistance

**Business as Usual. No Matter What.**

You've finally achieved your dream. Don't lose it to a power outage, hacker disruption, fire, earthquake or other disaster. If you're not prepared, a disaster could put you and your employees at risk, possibly shutting down your business forever.

Roughly 40 to 60 percent of small businesses never reopen their doors following a disaster. But you can.

Disaster planning and preparedness can be your lifeline to staying in business. With proper education, planning, testing and disaster assistance, you will be able to stay in business through any interruption and beyond.

# SBA on the Internet

Easy-to-find information to help small businesses start, grow & succeed.

Small Business Training Network – an online virtual campus offering free courses workshops and resources.

Your

LOCAL  
RESOURCES



[www.sba.gov/ny/ny](http://www.sba.gov/ny/ny)

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