



SBA 7(a) Loan Program

This program provides federally guaranteed loans to small businesses in need of flexible underwriting terms, extended loan terms, and low down payments.



The 7(a) Loan Program is the SBA's primary program to help start-up and existing small businesses obtain financing when they might not be eligible for business loans through normal lending channels. The loan funds can be used to improve cash flow, acquire equipment, purchase real estate, and access working capital.

Eligibility to receive a loan?

To be eligible for an SBA business loan, a small business applicant must be

- Located in the United States
- A for-profit operating business (except for loans to eligible passive companies);
- Qualify as small under the SBA's size requirements;
- Able to demonstrate a need for the desired credit; and
- Certified by a lender that the desired credit is unavailable to the applicant on reasonable terms and conditions from non-Federal sources without SBA assistance

Tables demonstrating lender terms, uses, rates, and guaranty fees are located on the back of this flyer.

Qualifications

To qualify for an SBA 7(a) loan, applicants must be creditworthy and able to reasonably assure repayment. For more information, please contact the following resources:

City Website: www.BeavertonOregon.gov/sba

SBA Staff: Scott Bossom-Lender Relations Specialist, 503-326-5204, scott.bossom@sba.gov

City Staff: Alma Flores-Economic Development Manager, 503-326-2456, aflores@BeavertonOregon.gov

SBA Lender Terms, Uses, Rates and Guaranty Fees

Amounts	<ul style="list-style-type: none"> • SBA 7(a) Loan Program allows up to \$5 million.
SBA 7(a) Lender Terms	<ul style="list-style-type: none"> • Up to 10 years for working capital • Up to 15 years for equipment • Up to 25 years for real estate
Uses	<ul style="list-style-type: none"> • Purchase of machinery, equipment, fixtures, or leasehold improvements • Receivables financing and working capital augmentation

Rates	<ul style="list-style-type: none"> • For SBA's 7(a) General Loan Program, the maximum interests is: <ul style="list-style-type: none"> ○ Prime plus 2-1/4% for maturities under 7 years* ○ Prime plus 2-3/4% for maturities of 7 years or longer* * SBA publishes updated 7(a) loan rates monthly
SBA Guaranty Fees	<ul style="list-style-type: none"> • 2.00% up to \$150,000 • 3.00% from \$150,001-\$700,000 • 3.50% from \$700,001-\$1,000,000 • 3.75% for SBA guaranteed amounts > \$1,000,000 • Other fees may apply given the specific details of the transaction use of funds, loan structure, collateral, etc.

