

SBA Guaranteed Loans

SBA Guaranteed Loans can be used for various business purposes, including long-term fixed assets and operating capital. Some loan programs have usage restrictions, so consult with an SBA-approved lender to find the right loan for your needs.

Benefits:

- **Competitive Terms:** Comparable rates and fees to non-guaranteed loans.
- **Counseling and Education:** Some loans include ongoing support for starting and running your business.
- **Unique Benefits:** Lower down payments, flexible overhead requirements, and in some cases, no collateral needed.

[7\(a\) Loan Program](#)

Uses of 7(a) Loans:

- Acquiring, refinancing, or improving real estate and buildings
- Short- and long-term working capital
- Refinancing current business debt
- Purchasing and installing machinery and equipment, including AI-related expenses
- Purchasing furniture, fixtures, and supplies
- Changes of ownership (complete or partial)
- Multiple purposes, including any of the above

Loan Details:

- Maximum loan amount: \$5 million
- Eligibility factors: business operations, credit history, business location

Eligibility Requirements:

- Must be an operating, for-profit business located in the U.S.
- Must meet SBA Small Business Size Standards
- Cannot be an ineligible business type
- Must not be able to obtain desired credit on reasonable terms from non-government sources
- Must be creditworthy and able to demonstrate a reasonable ability to repay the loan

504 Loan Program

Purpose:

- Provides long-term, fixed-rate financing for major fixed assets that promote business growth and job creation.

Availability:

- Offered through Certified Development Companies (CDCs), SBA's community-based nonprofit partners.

Loan Details:

- Maximum loan amount: \$5.5 million

Eligibility Requirements:

- Must operate as a for-profit company in the U.S. or its possessions
- Tangible net worth must be less than \$15 million
- Average net income must be less than \$5 million after federal income taxes for the two years preceding the application

General Standards:

- Must meet SBA size guidelines
- Must have qualified management expertise
- Must have a feasible business plan
- Must have good character and the ability to repay the loan
- Loans cannot be made to businesses engaged in nonprofit, passive, or speculative activities

Contact:

- For more information on eligibility and application requirements, contact a Certified Development Company (CDC) in your area.

Microloans

Purpose:

- Provides loans up to \$50,000 to help small businesses and certain not-for-profit childcare centers start up and expand.
- Average loan amount: \$13,000.

Availability:

- Administered by nonprofit community-based intermediary lenders with experience in lending and technical assistance.

Loan Details:

- Each intermediary lender has its own lending and credit requirements.

- Generally requires collateral and the personal guarantee of the business owner.

Uses:

- Working capital
- Inventory
- Supplies
- Furniture
- Fixtures
- Machinery
- Equipment

Restrictions:

- Cannot be used to pay existing debts or to purchase real estate.