



ALTERNATIVE FUNDS

SBA 7(A) Loan

An SBA Loan is a government backed loan that can be used to start or expand a business. The loan has certain requirements for eligibility, such as size standards, proving the ability to repay the loan and solid business purpose. The SBA works with specific lenders to offer their programs which eliminate the risk from the lender since they are backed by the government.

How To Apply For An SBA Loan

In order to apply for an SBA loan, you should follow these steps:

1. Check your eligibility
2. Choose the right program for your business
3. Research trusted SBA lenders
4. Prepare your documentation

If you are unsure if your business will qualify for an SBA loan, it's best to reach out to a trusted lending partner to discuss your options and potential eligibility.

The SBA's requirements include:

- Good to excellent personal credit
- For-profit business
- No previous delinquencies on government loans
- Must be in business for at least 3 years
- Must be considered a 'Small Business' from the SBA

A SBA 7(a) loan is the primary product from the SBA. It isn't a loan directly from the SBA, rather, the SBA helps small business owners secure loans by guaranteeing a portion of the amount borrowed, capping interest rates, and limiting fees. Generally qualified business owners can use a 7(a) for any business purpose.

SBA 504 loans are generally used for buying fixed assets like equipment or real estate, which ultimately acts as collateral for the loan itself. This program may require a downpayment and is made available through Certified Development Companies (CDC's) not lenders.