

SBA's Major Guaranty Loan Comparison Chart

	7(a) Term Loan	SBAExpress	Patriot Express	CDC-504 Term Loan
Eligibility	For-profit business Net worth less than \$8,500,000 Net Profit (after taxes) less than \$3,000,000	For-profit business Net worth less than \$8,500,000 Net Profit (after taxes) less than \$3,000,000	For-profit business Net worth less than \$8,500,000 Net Profit (after taxes) less than \$3,000,000 Be owned by a Veteran, or active duty military, or national guard member, or reservist, or current spouse, or widowed spouse of a service member who died during service or of a service connected disability	For-profit business (usually existing) Net worth less than \$8,500,000 Net Profit (after taxes) less than \$3,000,000 Create 1 job for each \$65,000 in SBA loan funds
Loan Size	No minimum loan amount Maximum loan is \$2,000,000	No minimum loan amount Maximum loan is \$350,000	No minimum loan amount Maximum loan is \$500,000	SBA's debenture minimum is \$50,000 Maximum SBA debenture \$1,500,000 (\$2,000,000 for public policy goals)
Use of Proceeds	<ul style="list-style-type: none"> • Land - Buildings • Equipment • Fixtures • Inventory • Working Capital • Refinance debt • Business Acquisition 	<ul style="list-style-type: none"> • Land - Buildings • Equipment • Fixtures • Inventory • Working Capital • Refinance debt • Business Acquisition 	<ul style="list-style-type: none"> • Land - Buildings • Equipment • Fixtures • Inventory • Working Capital • Refinance debt • Business Acquisition 	<ul style="list-style-type: none"> • Land - Buildings • Equipment with 10 year useful life
Financing	Provided by commercial lender SBA guaranty is 85% on loans \$150,000 or less And 75% on loans more than \$150,000	Provided by commercial lender SBA Guaranty is 50%	Provided by commercial lender SBA guaranty is 85% on loans \$150,000 or less And 75% on loans more than \$150,000	50% financing by commercial lender 40% financed by SBA through a Certified Development Company Minimum of 10% by borrower (higher for special purpose property and/or new businesses)
Collateral	Generally a 1 st lien position on assets acquired with loan proceeds Loan must be 100% secured if assets available.	Generally a 1 st lien on assets acquired with loan proceeds	Generally a 1 st lien on assets acquired with loan proceeds	Private lender holds first lien on real estate and equipment SBA takes second position on project assets
Loan Payment Terms	7 to 10 years for working capital and equipment 25 years for real estate	Revolving loans up to 7 years. 7 to 10 years for working capital and equipment 25 years for real estate	Revolving loans up to 7 years. 7 to 10 years for working capital and equipment 25 years for real estate	SBA debenture 10 years for equipment; 20 years for real estate Private lender must have minimum of 7 years for equipment 10 for real estate
Interest Rates	Fixed or Variable Maximum of Prime + 2.25% for loans with maturity less than 7 years Maximum of Prime + 2.75% for loans with maturity of 7 years and over Additional 2% on loans \$25,000 and under; additional 1% on loans \$50,000 & under	Fixed or Variable Maximum of Prime + 6.5% on loans less than \$50,000 and Prime + 4.5% on loans over \$50,000	Fixed or Variable Maximum of Prime + 2.25% for loans with maturity less than 7 years Maximum of Prime + 2.75% for loans with maturity of 7 years and over Additional 2% on loans \$25,000 and under; additional 1% on loans \$50,000 & under	Private Lender loan – negotiated between borrower and lender SBA loan – low fixed rate and fixed payment. Loan rate set when debenture is sold
SBA Fees	Fee is charged on guaranteed portion of loan. For loans \$150,000 or less is 2.0% For loans greater than \$150,000 up to \$700,000 is 3.0% For loans greater than \$700,000 is 3.5% For loans greater than \$1,000,000 and additional 0.25% is charged on the portion more than \$1,000,000 The SBA guaranty fee can be financed with the loan			Contact the local CDC for current fees which are generally less than 3.0% and can be financed with the loan

The SBA Guaranty Fee for 7(a), SBAExpress & Patriot Express loans may be eliminated and the SBA Guaranty for 7(a) & Patriot Express loans may be increased to 90% as part of the Recovery Act
Also, the Fee's on the CDC-504 Term Loans may be reduced as part of the Recovery Act