

SBA MICROLOAN PROGRAM

WHO WILL BENEFIT

SBA Microloans, are most useful to new and established small businesses with smaller needs for capital from \$500 up to \$50,000.

USE OF PROCEEDS The loans can be used for:

- *working capital
- *inventory
- *supplies
- *furniture/fixtures
- *raw materials
- *machinery/equipment
- *leasehold improvements

MAXIMUM AMOUNT Each application will be considered based on the company's unique financial needs. The program offers loans of up to \$50,000 to qualified start-up, newly established, or growing small businesses.

INELIGIBILITY

- *Non-profit organizations
- *Illegal businesses
- *Some types of business are ineligible, please ask.

RATES/TERMS/FEEs Interest rates vary, but the average between 8.75% up to 9.75%, depending on the time business has been established, credit, use of funds and other underwriting criteria. SBA Microloans must be paid back in at least 6 years, but the payback period may vary depending on the size of the loan and the borrower's needs and intended use of proceeds.

COLLATERAL/SECURITY Collateral (or security) will be determined on a case-by-case basis. Potential borrowers should know the SBA requires sufficient collateral to secure each loan. If assets are purchased a first lien will be filed. In all loans the personal guarantees of the principal owners of the small business concern will be required.

TECHNICAL ASSISTANCE Technical assistance is available to clients who participate in the Microloan Program and is free of cost during the life of the loan. This assistance is designed to help micro-entrepreneurs obtain additional tools needed to operate their businesses successfully.

THINGS TO REMEMBER

Like any loan, an application for program funded by the U.S. Small Business Administration involves forms and documentation. To request application documents by email, coordinate an appointment to receive orientation or to assist you in completing your application documents you can contact us at 407-800-6743.

