



Resources & Services

U.S. Small Business Administration
NJ District Office
Newark NJ

www.SBA.gov

SBA Helps America Grow

To Start, build, and Grow small businesses

- Financial assistance to procure funding for various types of small businesses through approved lenders
- Management training programs
- Specialized outreach to women, minorities, and armed forces veterans
- Federal contract procurement assistance
- Assistance in international trade
- Loans to victims of natural disasters

SBA Services to Small Business





Counseling & Training

www.SBA.gov

Counseling and Training

Local Resource Partners

- Free/Low Cost Online and Classroom Training
 - Calendar for available classes can be found at:

<https://www.sba.gov/NJ>

SBA LEARNING CENTER

- Free Consulting & Training Online
 - <https://www.sba.gov/LearningCenter>



Local Resource Partners

- Small Business Development Centers (SBDC)

www.sba.gov/sbdc

- Counselors to America's Small Business (SCORE)

www.score.org/mentors

- Women's Business Centers (WBC)

www.sba.gov/women

- Veterans Business Assistance

www.sba.gov/veterans

Assistance Offered:

For Start Up and Existing Businesses

- Business Plan preparation
- Marketing
- Business set-up
- Environmental challenges
- HR
- Accounting
- Manufacturing
- Distribution
- Customer Service

www.SBA.gov

Learning Center

Small Business Administration

U.S. Small Business Administration

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Business Guide Funding Programs Federal Contracting Learning Center Local Assistance About SBA

Start and grow your business

Want to be an entrepreneur? Learn how to get started on your business in 10 steps.

SEE THE GUIDE



CAPITAL

LENDER MATCH

Small Business Administration x

Secure | <https://www.sba.gov/lendermatch>

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Lender Match helps you find lenders.

Lender Match (formerly LINC) is a free online referral tool that connects small businesses with participating SBA-approved lenders.

[FIND LENDERS](#)

LENDER MATCH

- **1. Describe your needs**
 - Answer a few questions about your business in as little as five minutes.
- **2. Get matched in 2 days**
 - Receive an email with contact information of lenders who express interest in your loan.
- **3. Talk to lenders**
 - Compare rates, terms, fees, and more.
- **4. Apply for a loan**
 - Submit loan applications and paperwork. You're well on your way to securing a business loan!



Why an SBA Loan?

Lender Determines if an SBA loan is needed!

Your loan is viable, cash flow, repayment OK

But there is something that is risky

- Insufficient Collateral
- Non-standard Repayment Terms
- Industry Concentration
- Startups



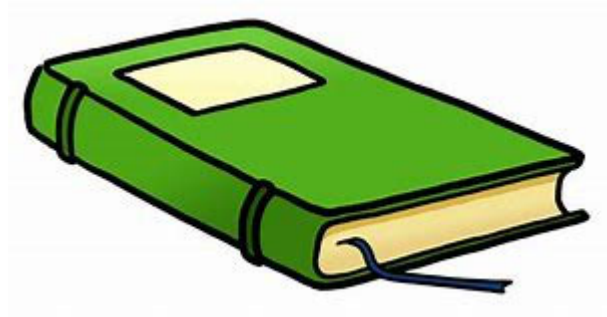
SBA Guarantee reduces lender's risk

SBA Guaranteed Loan Program makes financing available that may not otherwise be

SBA FINANCING

Qualifiers

- The Business Must Be:
 - For-Profit – so can create jobs for the economy
 - Independently owned and operated
 - Meet SBA Size requirement
 - www.SBA.gov/size
 - U.S. citizen or a legal resident

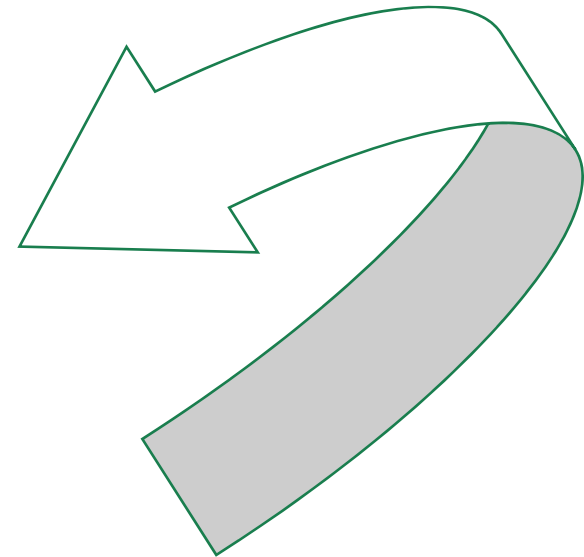


SBA FINANCING

Disqualifiers

Ineligible for Financing:

- Lending /Relending Activities
- Non profit Institutions
- Real Estate Investment
- Pyramid Sales Plans
- Illegal Activities
- Probation/Parole/Pending Criminal Charges
- Default on Federal Government Debt



SBA Financing



Business Applies Directly with Lender

SBA Guarantees Loans Made by Lender

Lender disburses the loan directly to Business



Loan Programs

SBA 7(a) Loan Program

- **Loan Amount**

- Maximum \$5 M
- Fixed Rate

- **Interest Rates**

- Negotiable Between Borrower and lender
- Maximum Interest Rates set at:
 - < 7 Year Term = Prime + 2.25%
 - \geq 7 Year Term = Prime + 2.75%

- **Guarantees**

- \leq \$150K = 85%
- > \$150K = 75%



SBA 7(a) Loan Program

Use of Proceeds

- Working Capital
- Inventory
- Lines of credit
- Expansion / Renovation
- Leasehold improvements
- Land or buildings for business
- Furniture / fixtures / equipment
- Refinance debt for compelling reasons



SBA Express

- **Term**
 - Line of Credit: 10 year term max
 - Designated lenders can offer flexible smaller loans and can approve quickly
- **Loan Amount and Guarantee**
 - Loans up to \$350K = 50% Guarantee
- **Maximum Variable Interest Rates:**
 - $\leq \$50K = \text{Prime} + 6.5\%$
 - $> \$50K = \text{Prime} + 4.5\%$
- **Eligibility**
 - Same as SBA 7a Loan
 - Must meet type of business eligibility



SBA *MICRO*Loan Program

- Maximum Loan Amount: \$50,000
- No Guaranty fee
- Term Loan only, shortest maturity possible: Maximum of 6 years
- Maximum Interest Rate: Negotiable with Lender
- Uses:
 - Working Capital
 - Purchases Supplies
 - Leasehold Improvements
 - Revolving Line of Credit
 - No Real Estate
- Mandatory Pre and Post loan business training, free from lender
 - www.SBA.gov/microloans



SBA 504 Loan Program

Program Details

- Maximum Loan Amount \$5M
- Acquisition of Capital Assets
- Loan Structure:
 - 50% of Loan is Lender's risk
 - 40% is 504 Loan, sold in secondary mkt
 - 10% is equity provided by Borrower
- Guaranty Fee: 1.5% on 40% portion
- Long Term Fixed rate financing
- Generally 25 Year Terms
- Refinancing Available
- Prepayment Penalty for first ½ of life of loan

1st Mortgage
50%
Lender

2nd Mortgage
40%
CDC
SBA 504 Guaranty

10% Borrowers
equity

SBA Special Purpose Export loans



- 3 Types of SBA Export Loans
 - Export Working Capital
 - International Trade Loan
 - Export Express – Max \$500K
- Loan amounts up to \$5M
- Term Loan or Line of Credit
- Quick Processing Time
- Low Guaranty Fee



Government Contracting

Contracting

- Federal government awarded over \$500B in contracts a year for everything from armored vehicles to paperclips
- SBA works with agencies to award at least 23% of all prime government contracts to:
 - small businesses
 - small disadvantaged businesses
 - women-owned businesses
 - service-disabled veteran owned businesses
 - businesses located in underutilized business zones.
- Free training available on how to Get Started in Contracting
- For more information go to www.sba.gov or the *Resource Guide for Small Business*



The Following Companies started with SBA Financing

SBA Alumni.....





QUESTIONS?

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WWW.SBA.GOV/NJ