



U.S. Small Business  
Administration

# W. Lewis Burger

Lender Relations Specialist/  
Economic Development Specialist  
Georgia District Office

404 331 0115

W.Burger@SBA.gov

**SHOW**  
**ME THE**  
**MONEY!!!**



# SBA Guaranty Loan Options for Small Businesses (aka OPM)



[Translate](#) [SBA en español](#) [For Lenders](#) [Newsroom](#) [Contact Us](#) [Register](#) [Log In](#) [Q](#)

[Starting & Managing](#) [Loans & Grants](#) [Contracting](#) [Learning Center](#) [Local Assistance](#)

[About SBA](#)

## GEORGIA DISTRICT OFFICE

[SBA.gov](#) » [Local Assistance](#) » [District Office List](#) » [Georgia](#)

**Georgia District Office**  
233 Peachtree Street, NE Suite 1900  
Atlanta, GA  
Phone: 404-331-0100

**About Us**  
The District Office is responsible for the delivery of SBA's programs and... [MORE >>](#)

**Hours of Operation:**  
Monday through Friday from 8:30 AM to 5:00 PM

**District Director:** Terri L. Denison  
[Office Directory](#)

**Resource Guide**  
[2017 Resource Guide](#)  
[SBA Participation Request Form](#)  
[SBA Logo Use Form](#)



TURNING AN AMERICAN DREAM INTO A REALITY

## Small Business Events

◀ **March 2017** ▶

Mar	Boots to Business: REBOOT	Mar	Overview of SBA Programs and Services
16	Women's Business Center Thursday, March 16, 2017 - 9:00am EDT Resource Partner Business Accelerators 975 Cobb Place BLVD, Suite 101 Kennesaw, GA 30144 <a href="#">Registration Required</a>	16	Thursday, March 16, 2017 - 10:00am EDT SBA Participating SBA Georgia District Office 233 Peachtree Street Atlanta, GA 30303 <a href="#">Registration Required</a>

[SHOW MORE EVENTS](#) [SHOW ENTIRE MONTH](#)



# SBA Loan Programs

- **7a Loans**
- **504 Loans fixed asset financing**
- **Micro-loan program**
- **Community Advantage**

# **SBA Loan Guaranties- Understanding How It Works**

**SBA does not provide**

**Direct business loans**  
(except in a natural disaster)

# SBA Loan Guaranty Process

- Applicant **applies** for commercial loan **at bank** – first approach your current banker
- If loan **doesn't fit** standard underwriting guidelines & needs **credit enhancement (usually b/c of lack of collateral or longer amo schedule)**, applicant and lender may consider an **SBA guaranty**
- Lender requests guaranty
- After SBA approves guaranty, **lender closes and disburses funds - & services the loan.**
- SBA guaranties/**insures**  
50-90% of loan



# SBA Eligibility Requirements

- **Businesses must:**

- **For profit**

- **May not exceed SBA size standards**  
(Generally less than 500 employees  
and \$15M in Gross Sales)

# SBA Requirements (Con't)

- **Cash/Equity injection** required: generally 10-30%
- Personal guaranties required for all with 20% + ownership
- Collateral maybe required – **may need to pledge personal assets.**

# SBA Requirements (Con't)

- **Ineligible Businesses:**
  - Non-profits
  - Businesses engaged in lending activities
  - Speculative or investment type businesses
  - Businesses engaged in gambling
  - Businesses providing sexual material
  - Businesses promoting religion
  - Illegal (**Federally**) businesses

# Use of Proceeds

- Expand & renovate facilities
- Purchase machinery & equipment, construct leasehold improvements
- Finance receivables & working capital
- Refinance existing debt (with compelling reason)
- Finance seasonal lines of credit
- Change of ownership
- Construct or purchase of commercial buildings  
(**Owner Occupied: 51%+ occupied by your business**)
  - Hospitality, RV Park & Self Storage – OK
  - Apartments, Mobile Home Park, Shopping Ctr – not OK

# Fees

**Guarantee Fee**

**Up front to 3.75% and**

**Ongoing annual of 0.5+%**

**And a**

**Packaging Fee**

**per SBA Guidelines**

# SBA Loan Programs – con't

- **7a guarantees – up to \$5M**
  - **Basic**
  - **Small Loans – Score Driven (<\$350k)**
  - **Industry Specific/Subset**
    - **CAPLines (Capital Lines of Credit)**
    - **Export Working Capital Program (EWCP)**
    - **International Trade term loans**
  - **Expedited (Express) Programs**
  - **Veterans Advantage (reduced fees)**

## **SBA Guarantee Loan Programs**

# **Specifics of 7a**

**See  
SBA Loan Guaranty Program Matrix**

**Page 37 - 39  
2017 Georgia Resource Guide for  
Small Businesses**

# 504 Fixed Assets Financing

- **Sometimes referred to the “Real Estate Loan”, but is use for ‘non-rolling’ equipment too**
- **Provided by Certified Development Companies (CDC) – see page 31-32**
- **Owner Occupancy: 51% of existing structure or 66% for new construction**



# A Typical 504 Project

- **A lender (bank) provides 50%**
  - first position lien at 50% Loan to Value
- **CDC (504 loan) provides up to 40%**
  - second position lien
- **At least 10% down payment by applicant**

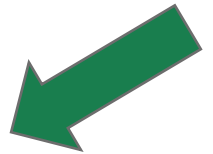
# SBA Micro-Loans

- Micro Lenders **more likely to do start ups**
- Up to \$50,000 to small businesses
- Used for
  - Machinery, equipment & fixtures
  - Inventory
  - Working capital

# SBA Micro-Loans

Continued

- **Business management assistance is available and maybe mandatory (SCORE or Small Business Development Centers)**
- **For list of Micro Lenders, see page 32- 33**
- **Many SBA Micro Lenders have their own private loan (non SBA) funds too; **may exceed \$50k****



# Community Advantage Loans

Available only from **missioned focus lenders only** (next slide)

- See page 31

**Up to \$250,000**

## **Four lenders in GA**

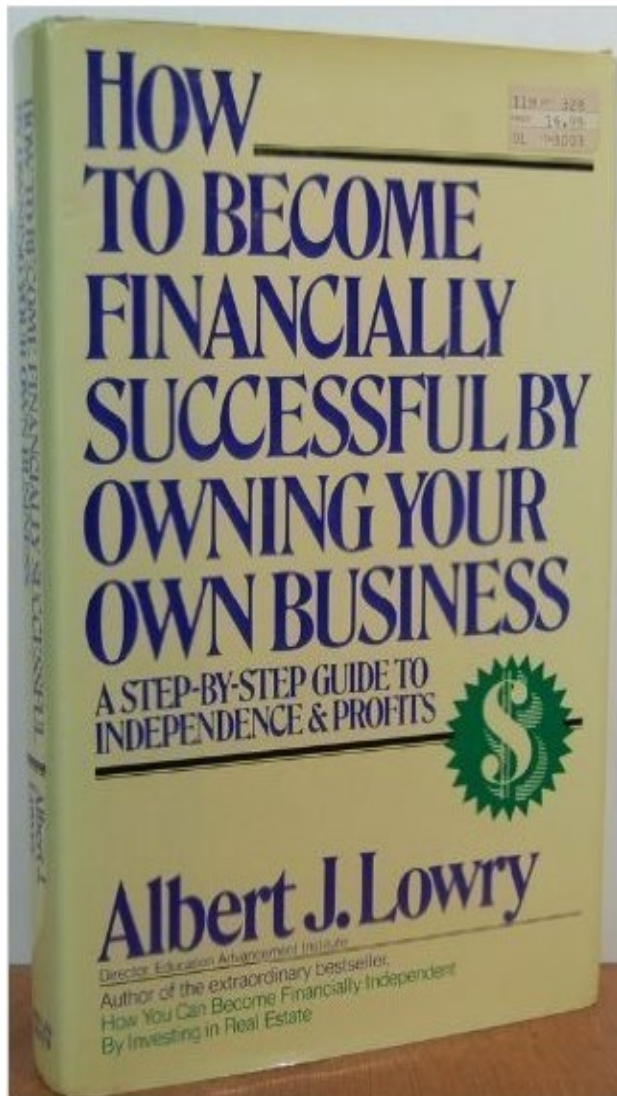
- **Access to Capital for Entrepreneurs (ACE)**
- **Small Business Assistance Corp**
- **Small Business Access Partners, Inc (SBAP)**
- **Coastal Area District Development Authority (CADDA)**

# Community Advantage Loans

Continued

- The CA program requires that 60% of loans be made to underserved markets. Underserved markets include:
  - Low-to-Moderate Income (LMI) communities (CA Lenders are encouraged to serve low and very-low income communities)
  - Businesses where more than 50% of their full time workforce is low-income or resides in LMI census tracts
  - Empowerment Zones and Enterprise Communities
  - HUBZones –
  - **New businesses (firms in business for no more than two years); over two years, still eligible but, not an underserved market.**
  - **Veteran-owned businesses**

## A Personal Recommendation....



**How to Become Financially Successful by Owning Your Own Business** Hardcover – February, 1981  
by [Albert J. Lowry](#)



**Used for \$5 - 10**

# Peter Drucker

The father of modern day business consulting

“Business has only two functions — marketing and innovation.”

Great example: “My Pillow”

“There is only one valid definition of business purpose: to create (WLB: and keep) a customer.”

Q & A

# W. Lewis Burger

Lender Relations Specialist/  
Economic Development Specialist

Georgia District Office

404 331 0115

W.Burger@SBA.gov

[www.sba.gov/ga](http://www.sba.gov/ga)