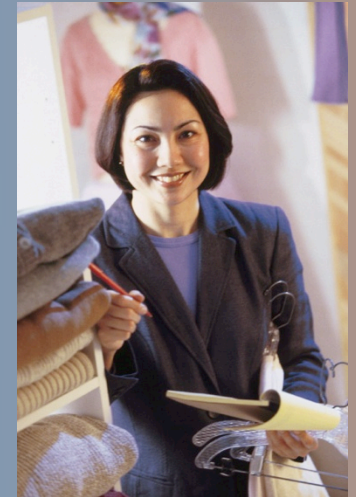




U.S. Small Business Administration

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The  
SBA

Advantage

Your small business resource.



Helping small businesses  
start, grow and succeed.

Resources and Programs for Success



## WHAT IS SBA ?

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- Small Federal Government Agency
- Established by Congress in 1953
- Aid, counsel and assist small business owners start, operate, and expand their businesses
- Provide access to capital, counseling and training, and increase federal procurement opportunities

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## BALTIMORE DISTRICT OFFICE

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- Serves Maryland's Small Business Community, with the exception of Montgomery and Prince George's Counties
- District Office Staff and our Resource Partner Network Provide Direct Access to all SBA Programs and Services

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## ACCESS TO CAPITAL

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- SBA 7(a) Guarantee Loan Program
  - SBA Express Loans
  - Patriot Express Loan Initiative –  
(serving the military community  
and their immediate families.)
- SBA 504 Loan Program

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## 7(a) GUARANTEE PROGRAM

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- Loan Guarantees, not loans
- Small Business Benefits
- Capital Not Otherwise Available on Conventional Terms
- Support Start-Ups
- Longer Maturities, Lower Monthly Payments

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## MAIN REASONS LENDERS USE SBA

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- Reduces the Bank's Risk
- Start-Up/ Emerging Small Business
- Collateral Shortfall
- Guaranteed Recovery for Participating Lenders



## PURPOSE OF LOAN

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- Construction and/or Purchase Land and Building
- Expansion or Conversion of Existing Facilities
- Purchase Machinery & Equipment, Supplies, Materials, or Inventory
- Working Capital
- Short Term Asset-Based Lines of Credit
- Refinance Existing Debt Under Certain Conditions

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# MAXIMUM LOAN AMOUNTS

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- Maximum Loan Amount \$2.0 Million
- Guaranty Maximum \$1.5 Million
- SBA Guaranty Percentages:

Loans of \$150,000 or Less are  
guaranteed 85%

Loans of Greater Than \$150,000 are  
guaranteed 75%

**2009 Recovery Act: 90% Guaranty  
Percentage & elimination of the SBA  
guaranty from 2/17/09 - 9/30/09**

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## MAXIMUM LOAN AMOUNTS

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- *SBAExpress* Program:  
Maximum Loan \$350,000  
50% Guaranty

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- *SBA PatriotExpress*  
Maximum Loan \$500,000  
75-85% Guaranty

Either can be used as a short - term  
line of credit

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## 504 LOAN PROGRAM

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- Finances: Long-Term Fixed Assets
- Maturity: 10 - 20 years
- Interest Rate 504 portion: fixed below market rate established when debenture is sold
- Interest lender portion: usually adjustable but is negotiable with lender
- Max Loan Amt: \$1.5 - \$4 million
- 2009 Recovery Act eliminates fees on the SBA portion of the 504 loan

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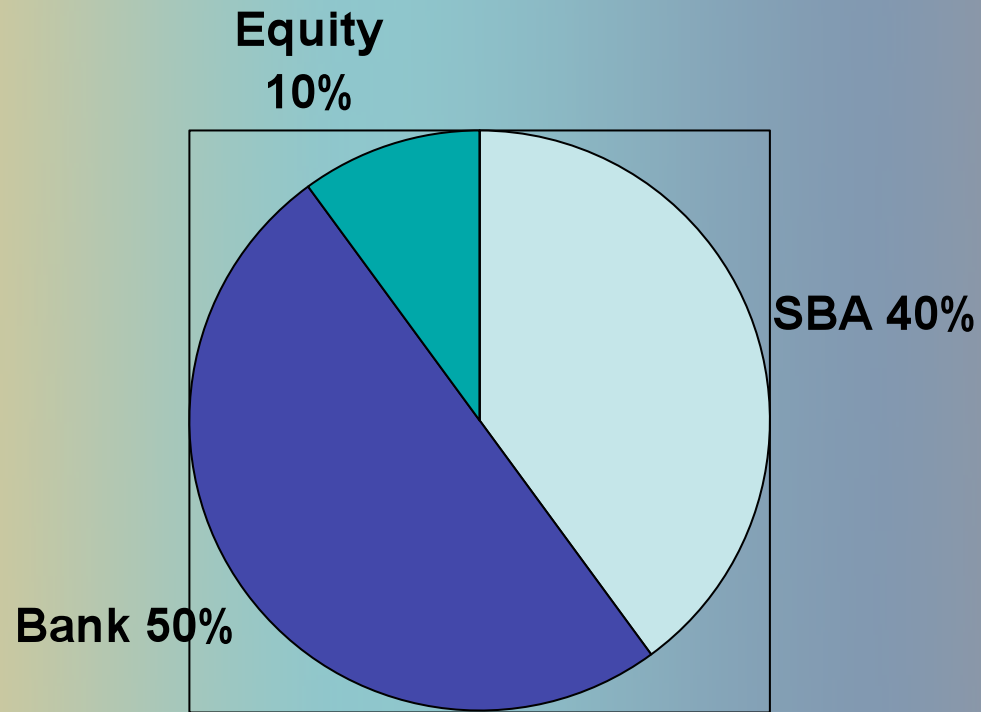


# BASIC 504 STRUCTURE

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## CERTIFIED DEVELOPMENT COMPANIES

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- Borrowers work through SBA Certified Development Companies
- Four (4) CDC's presently serve the Maryland market
- Visit [www.sba.gov/md](http://www.sba.gov/md) for contact information.

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# ARC Stabilization Loans

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- Provides a viable business up to \$35,000 over 6 mo. To pay principal & interest on qualifying debt. Repayment deferred for 12 months
- 100% guaranteed by SBA with no fees to the borrower with a 5 year term
- Viable Business = one that has made a profit in 1 of the last 3 years.



# ARC Loan Program

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- Lenders will be briefed on program details on June 8, 2009
- ARC Loans will be available to the public on June 15, 2009
- \$255 million allocated to this new loan program.

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# Surety Bond Guarantee Program

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- Under the Recovery Act the maximum bond amount has been raised from \$2 million to \$5 million
- Guarantee Percent = between 70 – 90% of the bond amount
- Temporary increase through September 30, 2010



# Questions ?

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SBA Baltimore District Office  
City Crescent Building  
10 S. Howard St., Ste. 6220  
Baltimore, MD 21201  
(410) 962-6195  
or visit us at  
[www.sba.gov/md](http://www.sba.gov/md)

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