



U.S. Small Business
Administration

Need Funding for Your Business? The SBA Can Help.

- 1.** SBA-backed Loans
- 2.** Private Investors
SBIC Program
- 3.** R&D Awarded Funds
SBIR & STTR
- 4.** Surety Bond Guarantee Program



Surety Bond Guarantee Program

“We Open Doors to Bonding”

The Small Business Struggle

License & permit bonds differ from contract bonds

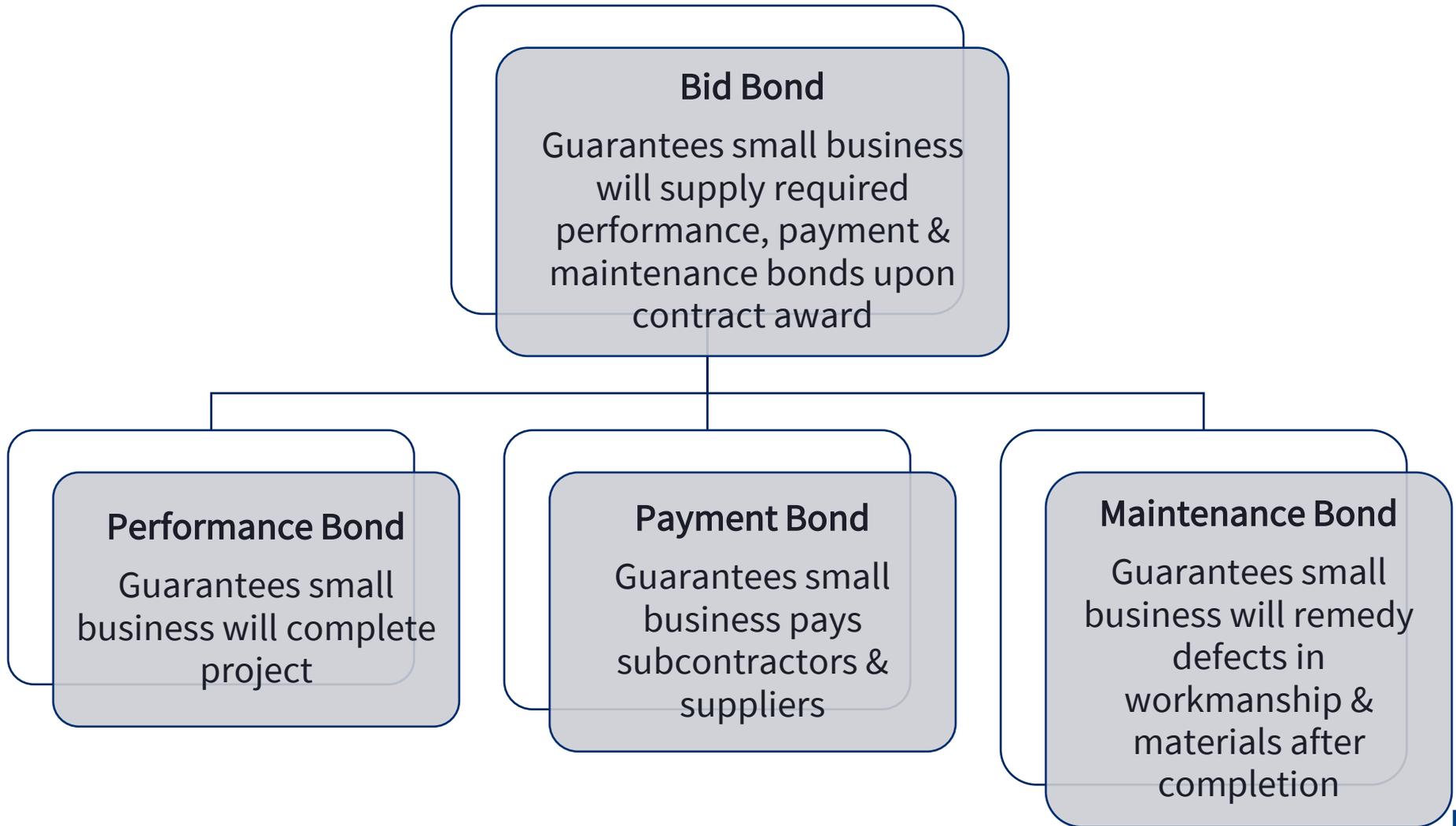
Contract surety bonds are a form of credit



Sureties underwrite each bond for capital, credit & capacity

Small businesses may struggle to qualify

Contract Bonds & What They Do



Working Capital = Bonding Capacity

Working capital
X 10 =
typical bonding
capacity

SBA counts
available bank line
to increase
bonding capacity!

Working capital +
available BLOC X
20 = potential
capacity with SBA

SBA Surety Bond Guarantee Program



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SBA's guarantee provides contracting opportunities & is typically invisible to project owner.



SBA assists construction, service, supply & manufacturing firms

- Start-ups & firms in business < 3 years
 - Limited financial resources
 - Internal financial statements
 - Desire to increase bond limits
- Subcontractors with desire to establish own bonding

SBA Guarantees Make the Difference!

90% Guarantee

VOSB & SDVOSB

Minority Owned

8(a) and HubZone

All projects \leq \$100,000

80% Guarantee

All other small businesses

Participant Qualifications

Small by SBA standards

Need contract bond & unable to obtain elsewhere with *reasonable terms.*

US based for-profit company

Legal US citizen/resident owners

Eligible to do business with the federal government

Not involved in current bankruptcy proceeding

- SBA eligible after discharge

Current on taxes & repayment agreements



Contract Qualifications



QuickApp Jobs Up to \$400,000

- 2 page application
- No financials for SBA
- Decisions in hours



Up to \$6.5 Million Any Project

Federal, State, Local,
Private & GC

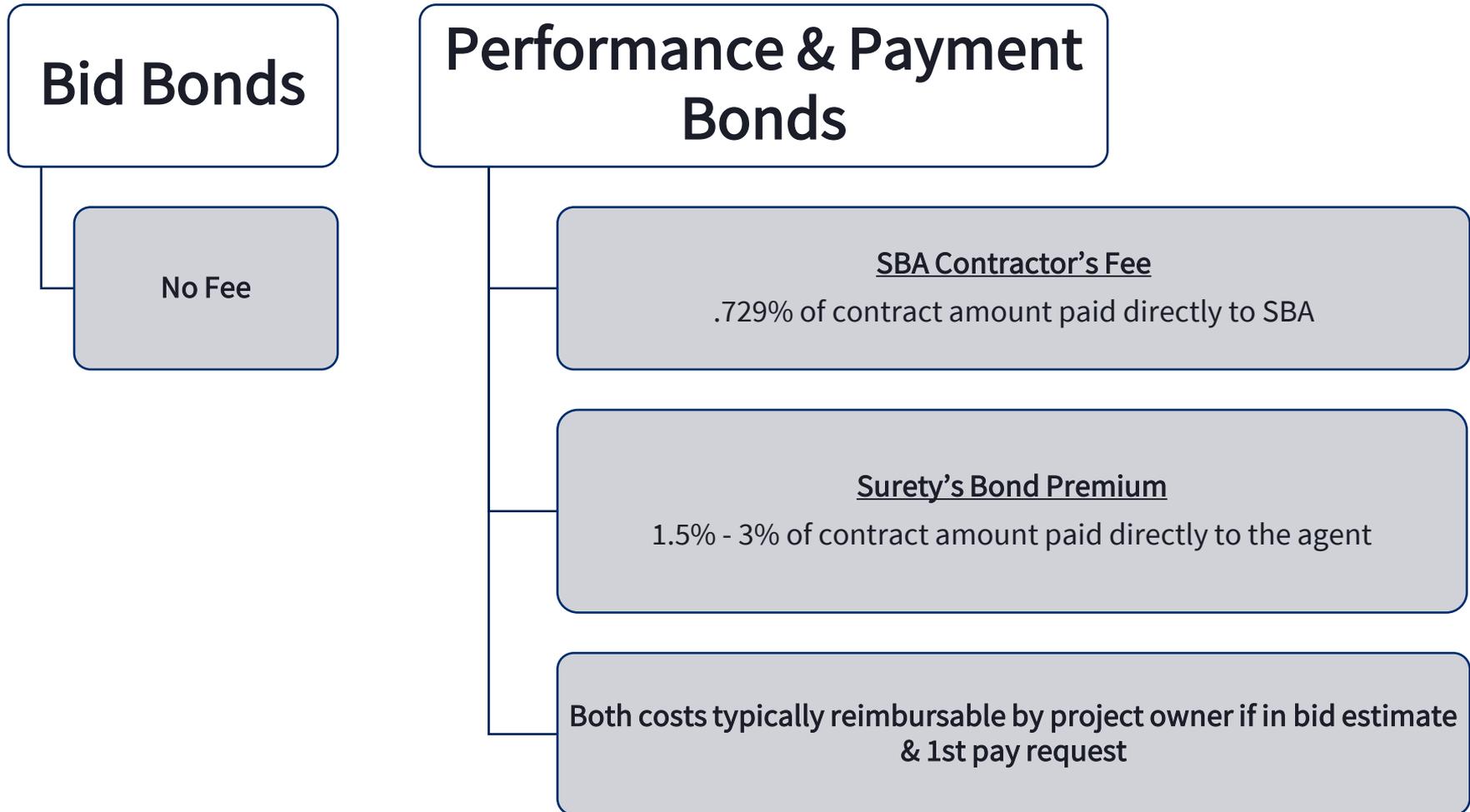


Up to \$10 Million Federal Contracts

with Contracting Officer
certification to SBA



Counting the Cost



The Application Process



SBA Authorized Bond Agents

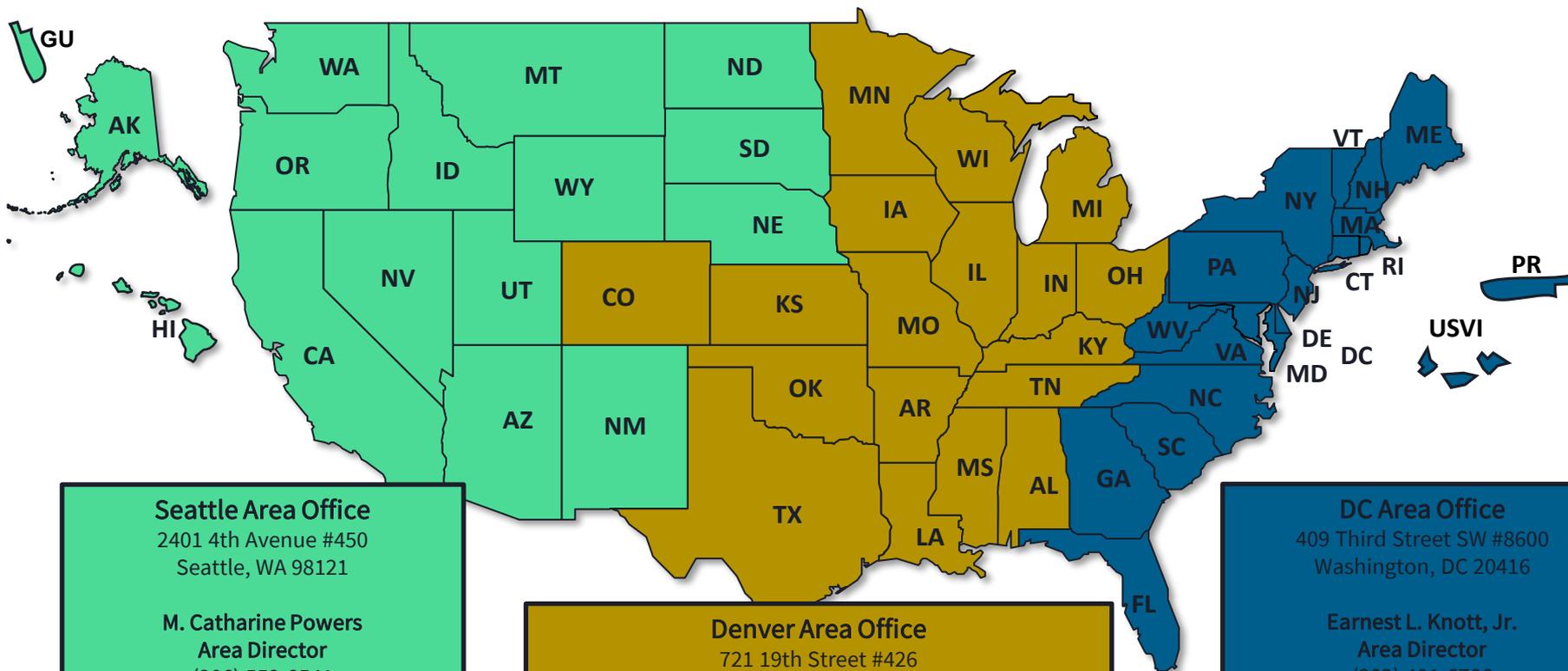


More information on the SBA Surety Bond Guarantee Program and SBA authorized agents at

www.sba.gov/osg

SBG Program - Area Offices

"We Open Doors to Bonding"



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SBA Loan Guarantee Program

SBA Loan Programs



504 Loan



7(a) Loan



Microloan

Community
Advantage
Loans

SBA Express

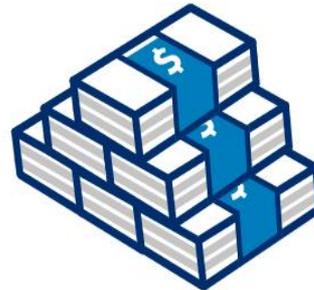
Export Loans

CAPLines

A Snapshot of SBA Guarantee Loans



Lending partner



Loan



Small business
(You)

SBA reduces risk and enables easier access to capital.



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7(a) Loan Program

- Provides funds for a variety of uses
- Federally-guaranteed loans up to \$5 Million
- 50%, 75% , 85%, or 90% SBA Guaranty to lenders
- Competitive loan terms

Eligibility for all SBA Loans

To be eligible for an SBA business loan, a small business applicant must:

- 1) Be an operating business
- 2) Organized for profit
- 3) Located in the United States
- 4) Be small based on regulatory size requirements ([13 CFR Part 121](#))
- 5) Demonstrate a need for the desired credit (Credit Elsewhere)
- 6) Owners must be of “good character”
- 7) Demonstrate repayment ability

Ineligible Uses of SBA Loans

- Proceeds benefit an associate
- Payment of past due withholding taxes
- Refinance of “reasonable” debt
- Purchase of less than 100% of a business

Not Eligible for SBA Financing

- Gambling or speculation
- Real estate investment/ other speculative activities
- Lending activities
- Businesses providing sexual material
- Businesses located in a foreign country
- Government-owned entities
- Religious organizations
- Non-profit organizations
- Charitable organizations
- Political or lobbying activities
- Illegal activities
- Private clubs and business that limit memberships
- Borrowers that have defaulted on federal loans or financing
- Marijuana
- Hemp is eligible, as long as, it is used for industrial purposes (Consistent with the Agriculture Improvement Act of 2018)

Interest Rates for 7a Loans

- **Loans less than 7 years:**
 - \$0 - \$25,000 Prime + 4.25%
 - \$25,001 - \$50,000 Prime + 3.25%
 - Over \$50,000 Prime + 2.25%

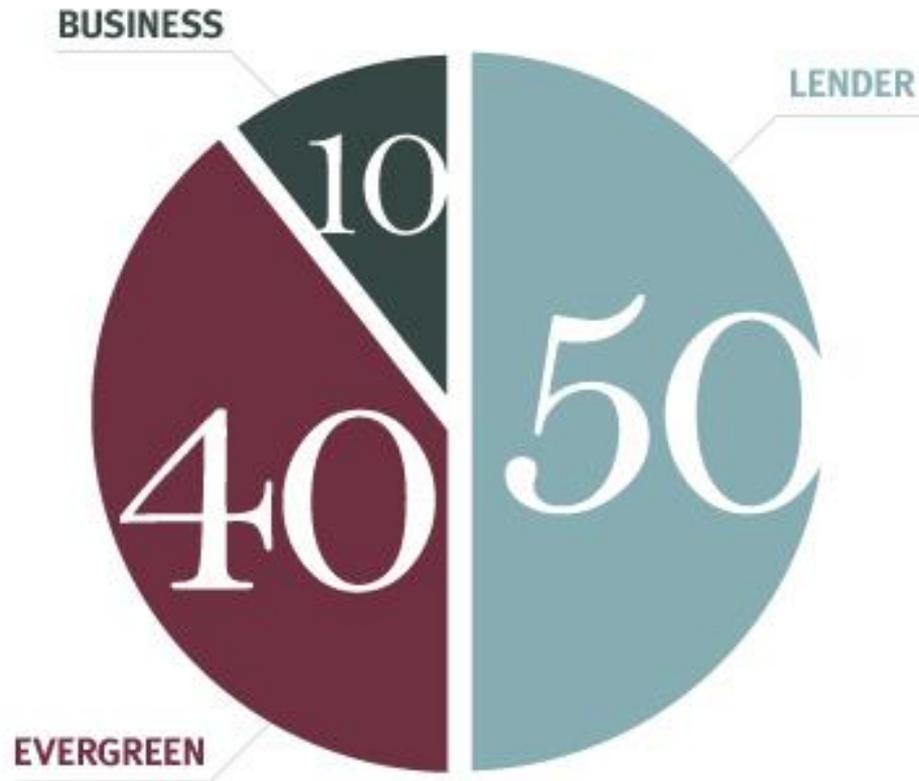
- **Loans 7 years or longer:**
 - 0 - \$25,000 Prime + 4.75%
 - \$25,001 - \$50,000 P + 3.75%
 - Over \$50,000 Prime + 2.75%

- **Fixed Rate:**

SBA Express Loan

Maximum loan amount	\$500,000
Maximum SBA guarantee %	50%
Interest rate	Lenders and borrowers can negotiate the interest rate, but it may not exceed the SBA maximum
Eligibility decision	Made by the lender
Revolving lines of credit	Up to seven years with maturity extensions permitted at the outset
Collateral	Lenders are not required to take collateral for loans up to \$25,000. May use their existing collateral policy for loans over \$25,000 up to \$500,000.
SBA Guaranty Fee	Same as 7a loans. Waived for qualified veterans, military personnel and family.

SBA 504 Loan



Lender Match

1.

**Describe
Your Needs**



2.

**Interested Lenders
Reply Within 2 Days**



3.

**Talk to
Lenders**



4.

**Apply for a
Loan**



Find an SBA-approved lender that's right for you by visiting

[SBA.gov/lendermatch](https://www.sba.gov/lendermatch)

FY2021 SBA Alaska Loan Volume

Lender	# Loan	\$ Amount
Northrim Bank	40	\$ 30,564,400
Evergreen Business Capital	18	\$ 12,281,000 (504 Loans)
Wells Fargo Bank, N.A.	13	\$ 6,019,700
Newtek Small Business Finance, Inc.	12	\$ 8,542,400
Alaska Growth Capital BIDCO, Inc.	12	\$ 6,156,000
KeyBank, N.A.	11	\$ 2,360,200
Live Oak Banking Company	4	\$ 7,800,000
SaviBank	4	\$ 10,494,500
Enterprise Bank & Trust	3	\$ 1,162,800
Fund-Ex Solutions Group, LLC	2	\$ 1,134,000
Byline Bank	2	\$ 750,000
First Home Bank	2	\$ 1,482,000
First Bank of The Lake	2	\$ 1,911,000
Berkshire Bank	2	\$ 4,200,000
Ameritrust CDC	1	\$ 330,000 (504 Loan)
Bank of Springfield	1	\$ 2,800,000
United Midwest Savings Bank, N.A.	1	\$ 150,000
Blue Ridge Bank, N.A.	1	\$ 3,350,000
Patriot Bank, N.A.	1	\$ 2,300,000
First Chatham Bank	1	\$ 4,901,000
United Business Bank	1	\$ 390,000
Woodsville Guaranty Savings Bank	1	\$ 25,000
Banner Bank	1	\$ 30,000
Bank of Hope	1	\$ 845,000
First Savings Bank	1	\$ 280,000
First Federal Savings & Loan Association	1	\$ 1,630,000
Grand Total	139	\$ 111,889,000

5 C's of Credit

1

Character – your personal reputation and general impression you make on your lender; your integrity

2

Capacity / Cash Flow - whether your business makes enough money to pay all its bills including a new loan



3

Collateral (Guarantees) - something of value (“tangible asset”) that you own or will buy with money from the loan that you can “pledge” to secure a loan

4

Capital / Contribution - business net worth
What the business owns (assets) minus what it owes (liabilities)

5

Condition - Loan conditions that a lender considers when approving your loan, such as loan amount, interest rate, term



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Q&A

You have

Questions

We have

Answers

