



U.S. Small Business
Administration

What is an SBA Loan? & Why choose an SBA Loan?

SBA Financing for Small Businesses:

- ❖ A type of financing designed to help small businesses obtain capital.
- ❖ Issued by commercial lenders (*banks, credit unions*) but **partially guaranteed** by the **U.S. Small Business Administration (SBA)**.
- ❖ Lower **interest rates, longer repayment terms, and flexible credit requirements** compared to traditional loans.
- ❖ Helps businesses that may not qualify for conventional loans.
- ❖ Reduces lender risk, making funding more accessible.

SBA Fast Track®

- ❖ **Minimum FICO Score:** 675 Equifax (*model v9*)
- ❖ **Minimum SBSS:** 155
- ❖ **Minimum Lumos Prime Score:** 80
- ❖ **Time in Business:** 2 years
- ❖ **Felonies Allowed:** No
- ❖ **Bankruptcy:** 1 bankruptcy allowed after 10 years seasoning; multiple not allowed.
- ❖ **Use of Funds:** Working Capital
- ❖ **Debt Service Coverage Ratio:** Not required, but business must show at least \$1 profit (*NOI*) on the last tax return. Existing working capital loans ≤50% of annual sales (*SBA 1x, LOC 1x, Conventional 2x, Other 4x*)
- ❖ **Debt Service Coverage Ratio:** Not required, but business must show at least \$1 profit (*NOI*) on the last tax return. Existing working capital loans ≤50% of annual sales (*SBA 1x, LOC 1x, Conventional 2x, Other 4x*)
- ❖ **Taxes Owed:** All taxes must be current; including 941 payroll taxes, 1040 personal taxes and 1120 business taxes.
- ❖ **Closing Time Frame:** 3 weeks
- ❖ **Loan Term:** 10 years
- ❖ **Loan amount:** \$50,000 - \$150,000. Loan amount is 33% of gross revenue on the last filed tax return up to maximum loan of \$150,000.
- ❖ **Interest Rate:** Prime +3.50% (*variable adjusting quarterly*)

SBA Fast Track® Plus

- ❖ **Minimum FICO Score:** 675 Equifax (*model v9*)
- ❖ **Minimum SBSS:** 155
- ❖ **Minimum Lumos Prime Score:** 80
- ❖ **Time in Business:** 2 years
- ❖ **Felonies Allowed:** No
- ❖ **Bankruptcy:** 1 bankruptcy allowed after 10 years seasoning; multiple not allowed.
- ❖ **Use of Funds:** Working Capital
- ❖ **Debt Service Coverage Ratio:** 1.20x Business, 1.10x Global
- ❖ **Taxes Owed:** All taxes must be current; including 941 payroll taxes, 1040 personal taxes and 1120 business taxes.
- ❖ **Closing Time Frame:** 3 weeks
- ❖ **Loan Term:** 10 years
- ❖ **Loan Amount:** \$150,000 - \$350,000
- ❖ **Interest Rate:** Prime +3.25% (*variable, adjusting quarterly*)

SBA Boost®

- ❖ **Minimum FICO Score:** 640 Experian (*model v8*)
- ❖ **Minimum SBSS:** 165
- ❖ **Time in Business:** 2 years
- ❖ **Felonies Allowed:** Yes
- ❖ **Bankruptcy:** Bankruptcy allowed after 3 years seasoning.
- ❖ **Use of Funds:** Working capital, debt refi, inventory, equipment, owner-occupied CRE – MCA refi up to \$250K with UW approval.
- ❖ **Debt Service Coverage Ratio:** SBSS 165-199: 1.0x Business Standalone; 200+: NOI 15% of loan (*no DSCR*)
- ❖ **If Tax Returns Show a Loss :** If tax returns show a loss or low DSCR, loan = 30% of gross revenue (*max \$150K, 700+ FICO*)
- ❖ **Taxes Owed:** Installment agreements allowed; tax liens must be satisfied; open 941 payroll taxes must be paid from business funds.
- ❖ **Closing Time Frame:** 30-45 days.
- ❖ **Loan Term:** 10 Years; if real estate comprises 51% or more of use of proceeds - 25 years
- ❖ **Loan Amount:** \$100K-\$500K; if unprofitable, max \$150K (*30% of revenue, 700+ FICO*)
- ❖ **Interest Rate:** Prime +2.75% (*variable, adjusting quarterly; revenue-based qualifying is Prime +3.75%, variable adjusting quarterly*)

SBA Boost® - Quick \$200k

- ❖ **Minimum FICO Score:** 660 Experian (*model v8*)
- ❖ **Minimum SBSS:** 165
- ❖ **Time in Business:** 2 years
- ❖ **Felonies Allowed:** Yes
- ❖ **Bankruptcy:** Bankruptcy allowed after 3 years seasoning.
- ❖ **Use of Funds:** Working capital.
- ❖ **Debt Service Coverage Ratio:** N/A - Cannot have more that (2) Active MCA's & (4) UCC's.
- ❖ **Minimum Revenue:** \$800,000 from last filed business tax return.
- ❖ **Taxes Owed:** Installment agreements allowed; tax liens must be satisfied; open 941 payroll taxes must be paid from business funds.
- ❖ **Closing Time Frame:** 14 days
- ❖ **Loan Term:** 10 years
- ❖ **Loan Amount:** 200,000 (*Loan amount is 25% of last filed tax return - minimum \$800k revenue required*)
- ❖ **Interest Rate:** Prime + 6% (*variable, adjusting quarterly*)

SBA 7(a) - Over \$500k

- ❖ **Minimum FICO Score:** 600 Experian (*model v2*)
- ❖ **Minimum SBSS:** N/A
- ❖ **Time in Business:** 2 years for 100% financing (*startups also allowed*)
- ❖ **Felonies Allowed:** Yes
- ❖ **Bankruptcy:** Bankruptcy allowed after 3 years seasoning.
- ❖ **Use of Funds:** Debt Refinance, Working Capital, Inventory, Equipment, Expansion, Commercial Real Estate.
- ❖ **Debt Service Coverage Ratio:** 1.15x Global and Business
- ❖ **Taxes Owed:** Installment Agreement is acceptable, but tax liens must be satisfied.
- ❖ **Closing Time Frame:** 45 - 60 days
- ❖ **Loan Term:** 10 years
- ❖ **Loan Amount:** \$500,000 - \$5,000,000 (*up to \$8,000,000 possible with Pari Passu*)
- ❖ **Interest Rate:** Varies by lender, ranging from Prime +1% to 3%, variable adjusting quarterly. Fixed options may be available as well.

SBA 7(a) to 7(a) Refinance

- ❖ **Minimum FICO Score:** 660 Experian (*model v2*)
- ❖ **Minimum SBSS:** N/A over \$500,000; under \$500,000 must be 155 or greater.
- ❖ **Time in Business:** 2 years
- ❖ **Felonies Allowed:** Yes
- ❖ **Bankruptcy:** Bankruptcy allowed after 3 years seasoning.
- ❖ **Use of Funds:** Refinance existing SBA 7(a) loan. Working capital, debt refinance, equipment, inventory can also be considered.
- ❖ **Debt Service Coverage Ratio:** 1.15x Global and Business

- ❖ **Taxes Owed:** Installment Agreement is acceptable, but tax liens must be satisfied.
- ❖ **Closing Time Frame:** 60 days
- ❖ **Loan Term:** 10 years (*no real estate*) or 25 years (*with real estate*)
- ❖ **Loan Amount:** \$300,000 - \$5,000,000
- ❖ **Interest Rate:** Prime + 1% fixed or Prime +1.25% (*variable, adjusting quarterly*)

** To be eligible, the customer must save at least 10% on the principal & interest payments. If the customer has Prime + 2.5% or higher on the current loan should be eligible.*

SBA Commercial Real Estate Purchase (*SBA 7a*)

- ❖ **Minimum FICO Score:** 640 Experian (*model v2*)
- ❖ **Minimum SBSS:** 155 If the loan amount is under \$500,000 (*over \$500,00 SBSS is not used*)
- ❖ **Time in Business:** 2 years for 100% financing (*startups also allowed*)
- ❖ **Felonies Allowed:** Yes (*160 minimum SBSS and global cash flow analysis required*)
- ❖ **Bankruptcy:** Bankruptcy allowed after 3 years seasoning.
- ❖ **Use of Funds:** Owner-occupied CRE (*51%+*), renovation, construction, working capital, equipment, inventory, debt refi.
- ❖ **Debt Service Coverage Ratio:** Under \$500K:
SBSS-based—165-174: 1.15x Global & Business; 175-184: 1.15x Business; 185+: NOI 15% (*no DSCR*). Over \$500K:
1.15x Business, 1.0x Global.
- ❖ **Taxes Owed:** Installment Agreement is acceptable, but tax liens must be satisfied; Open 941 taxes must be paid using business funds.
- ❖ **Closing Time Frame:** 45 - 60 Days
- ❖ **Loan Term:** 25 Years
- ❖ **Loan Amount:** \$150,000 - \$5,000,000 *{up to \$8,000,000 possible with Pari Passu}*
- ❖ **Interest Rate:** Varies by lender: Prime +1% to 2.75% (variable, quarterly); fixed options may be available.
- ❖ **Loan to Value:** Up to 100% financing (*2+ years in business*); else 90% LTV. Special-use real estate max 85% LTV.
- ❖ **Construction/ Renovation:** Allowed (*including ground-up construction*)

** The business borrowing, must occupy at least 51% of the rentable square footage.*

Expansion requests for strong businesses may be eligible for 100% financing.

SBA Commercial Real Estate Purchase or Refinance (SBA 504)

- ❖ **Minimum FICO Score:** 660 Experian (*model v2*)
- ❖ **Minimum SBSS:** N/A
- ❖ **Time in Business:** 2 years preferred; (*startups also allowed*)
- ❖ **Felonies Allowed:** Yes
- ❖ **Bankruptcy:** Bankruptcy allowed after 3 years seasoning.
- ❖ **Use of Funds:** Commercial Real Estate (*51% or more owner-occupied*), Renovation, Ground-up Construction or Heavy machinery.
- ❖ **Debt Service Coverage Ratio:** 1.15x Global and Business
- ❖ **Taxes Owed:** Installment Agreement is acceptable, but tax liens must be satisfied; Open 941 taxes must be paid using business funds.

** Documents needed for initial pre-qualification submissions.*

- ❖ **Closing Time Frame:** 120 Days
- ❖ **Loan Term:** 25 Years
- ❖ **Loan Amount:** \$500,000 - \$18,000,000
- ❖ **Interest Rate:** CDC + Lender close simultaneously. CDC rate per debenture at funding; lender rate typically high 7s.
- ❖ **Loan to Value:** Up to 100% financing (*2+ years in business*); else 90% LTV. Special-use real estate max 85% LTV.
- ❖ **Construction/ Renovation:** Allowed (*including ground-up construction*)

** Refinances may include working capital. Borrowing business must occupy at least 51% of the rentable square footage.*

SBA Startup

- ❖ **Minimum FICO Score:** 640 Experian (*model v2*)
- ❖ **Minimum SBSS:** 155 if loan amount is under \$500,000 (*over \$500,000 SBSS is not used*)
- ❖ **Time in Business:** N/A
- ❖ **Felonies Allowed:** Yes
- ❖ **Bankruptcy:** Bankruptcy allowed after 3 years seasoning.
- ❖ **Use of Funds:** Working Capital, Inventory, Equipment, Renovation, Leasehold Improvements, Commercial Real Estate (*owner-occupied*)
- ❖ **Debt Service Coverage Ratio:** 1.15x Global and Business, based on pro-forma projections.
- ❖ **Taxes Owed:** Installment Agreement is acceptable, but tax liens must be satisfied; Open 941 taxes must be paid using business funds.

- ❖ **Closing Time Frame:** 45 - 60 Days
- ❖ **Loan Term:** 10 Years; If real estate comprises 51% or more of use of proceeds - 25 years
- ❖ **Loan Amount:** \$500,000 - \$5,000,000 (*up to \$8,000,000 possible with Pari Passu*)
- ❖ **Interest Rate:** Varies by lender, ranging from Prime + 1.25% to 2.75% (*variable, adjusting quarterly*)
- ❖ **Equity Injection (aka down payment):** 10%

** The guarantor(s) must have transferable experience. Strong business plan (preferably professionally written) and projections are needed. If the guarantor(s) have real estate with at least 25% equity to pledge as collateral (it will strengthen the likelihood of approval).*