



U.S. Small Business Administration

Financing Programs



7(a) Loan Program

SBA's primary business loan program

- Broad eligibility requirements
 - Wide range of financing needs
 - Increase in the maximum 7(a) loan amount to \$5MM, guaranty amount to \$3.75MM.
 - Maximum guaranty 85% up to \$150k
 - Maximum guaranty 75% over \$150k





7(a) Loan Program

Updates

- ❑ Fee relief on loans \$150,000 and under **extended through 2015**
- ❑ Up front fees waived on 7 (a) Express Loans to Veterans for under \$350,000 **extended through 2015**
- ❑ **New for 2015: Fees reduced by 50% on loans \$350,000-\$5 million for veterans**
- ❑ *In FY2014, 624 WI borrowers have saved \$557,624 or \$893/loan on average*



Financing Your Business

7(a) Loan Program Maturities and Size

- Maximum Maturities
 - 5 – 10 years for working capital, machinery, and equipment
 - Up to 25 years for real estate, construction
- \$15MM in tangible net worth; \$5MM in net profits
- All loans \$350,000 and under now use simplified credit scoring



U.S. Small Business Administration

Express Loans

- 50% Guarantee
- Up to \$350,000
- Includes Lines of Credit
- Lender makes credit decision
- **Up-front fees waived for vets**

Community Advantage 7(a) Loan

***Opens 7(a) lending to community based, mission-focused lenders
CDFIs, CDCs, and Micro-lenders***

- **Maximum Loan Size:** \$250,000
- **Guarantee:** 85% up to \$150,000; 75% for more.
- **Approval Times:** 5-10 days for most Community Advantage loans
Paperwork: Two-page application for borrowers
- **Lender Requirements:** Expected to maintain 60% of their portfolios in underserved markets
- **Time Frame:** 3 Year Pilot Initiative; extended to 3/15/17



WI Community Advantage Lenders

- Milwaukee Economic Development Corporation
Milwaukee
- Wisconsin Women's Business Initiative Corporation
Milwaukee
- Legacy Redevelopment Corp., *Milwaukee*
- Lincoln Opportunity Fund, *Milwaukee*

***5 loans for \$680,000 in 2013; first CA loans for Wisconsin
36 loans for \$3.6 million in 2015 YTD***



Financing Your Business

504/Certified Development Company

- Maximum loan amount: \$5.0 to \$5.5 million
- Project costs:
 - » financed by 504 loan 40%
 - » lender finances 50%
 - » equity finances 10-20%
- Uses: long-term; fixed assets
- Maturity: generally 10-20 years
- Maximum interest: fixed rate established when debenture backing sold; some exceptions



Financing Your Business

MICROLOANS

- Maximum loan amount: \$50,000
- Maximum guaranty: N/A
- Uses: purchase machinery, equipment, fixtures, working capital, leasehold improvements; increased receivables
- Maturity: shortest term possible
(6 years or less)
- Maximum interest: negotiable with intermediary
- Guaranty fees: none



Wisconsin Micro Lenders

- **Advocap**, Fond du Lac and Oshkosh
- **First American Capital Corp.**, West Allis
(Subsidiary of the American Indian Chamber)
- **Green Bay Area Chamber of Commerce Foundation - Advance Brown County Micro Loan Program**, Green Bay
- **Impact Seven, Inc.** , Almena and Milwaukee
- **Entrepreneur Fund**, Superior
- **WI Women's Business Initiative Corp.**, Racine, Kenosha, Milwaukee
- **CAP Services**, Stevens Point
- **Northwest Regional Planning Commission**, Northwest Wisconsin
- **Lincoln Opportunity Fund**, Milwaukee



U.S. Small Business Administration

Training

Over 100 free online courses at SBA.gov

- Business planning
- Finance
- Marketing
- **Government contracting-14 courses with multiple sessions**

Free webinars and call in sessions

Entrepreneurial education classes (targeted audiences)

- V-Wise (women veterans)
- Boots to Business: Reboot—includes all veterans; locations TBD for 2015
- Emerging Leaders (Urban CEOs)-in progress now

Business Accelerators Funded by SBA in WI: Vetransfer, Milwaukee; Launchbox, Racine



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