

The U.S. Small Business Administration (SBA) 7(a) Loan Program is the nation's most popular program backed by the Federal Government that helps ensure easy access to capital for eligible small businesses that may be struggling to secure financing on conventional terms. The 7(a) Program is considered the SBA's flagship loan program, helping more than 60,000 American small businesses obtain funding each year.

## How Do Businesses Benefit from SBA 7(a) Loans?

SBA 7(a) loans are affordable, flexible and help with conservation of cash flow. In comparison to conventional bank financing, borrowers have access to a variety of benefits through the 7(a) Program, such as longer maturities, lower interest rates and lower collateral requirements:

- Extended Repayment Terms
- Up to 90% Bank Financing
- Low Interest Rates
- Fully Amortizing (No Balloons)
- Limited Collateral Requirements
- No Prepayment Penalties for Loans of 15 Years or Less

## How Can Businesses Use SBA 7(a) Loan Proceeds?

- Business Acquisitions, Expansions & Start-Ups
- Partner Buyouts
- Inventory, Equipment & Franchise Purchases
- Commercial Real Estate
- Ground-Up Construction
- Refinance Existing Debt
- Working Capital

## Which Businesses Are A Good Fit for SBA 7(a) Loans?

- For-Profit Entities Based in the United States
- Acceptable Global Debt Service Coverage (1.25x Minimum)
- Meet Minimum Size Standards by SBA (Varies by Industry)
- Acceptable Personal Credit Scores for Equity Owners (665 Minimum)
- Demonstrate Inability to Find "Credit Elsewhere" from Personal Resources of Equity Owners of 20% or More

## SBA 7(a) Loan Terms At-A-Glance



- **Maximum Loan Size:** \$5 Million
- **Maximum Repayment Terms:** 25 Years for Real Estate, 15 Years for Equipment & 10 Years for All Other Uses
- **Down Payment:** Typically, 10% of the Total Project Costs
- **Interest Rate:** Variable & Multi-Year Adjustable
- **Prepayment Penalties:** 5% in Year One, 3% in Year Two & 1% in Year Three for Loans Greater Than 15 Years

## Why Partner With West Town Bank & Trust?

As a Preferred Lender by the SBA, West Town & Trust consistently ranks as a top SBA 7(a) lender in the country by dollar volume each year and has a team of experts ready to help at your fingertips. Through technology-enabled loan application processes, our purpose is to help turn your dreams into reality through easy access to capital through the SBA's flagship 7(a) Program.

### Here's What We Need to Get Started:

- Business Plan, Background & Loan Request Overview
- Business YTD Financials, Debt Schedule & Projections
- Business & Personal Tax Returns (3 Years)
- Personal Financial Statements, Resumes & Eligibility Criteria (Credit Scores, Background Checks, etc.)

To Learn More, Visit Us At...

<https://www.westtownbank.com/sba-7a-loans/>