

SBA and USDA B&I PRODUCT COMPARISON



	SBA 7(a) LOAN	SBA 504 LOAN	USDA B&I
Max. Loan Size	\$5MM	\$10MM	\$10MM
Eligible Purposes	Business acquisition, commercial real estate, expansion, equipment, debt refinance, start-ups, working capital	Business acquisition, commercial real estate, expansion, heavy industrial equipment, debt refinance	Business acquisition, commercial real estate, expansion, equipment, debt refinance, start-ups, working capital
Terms	RE Loans-25 years FF&E-up to 15 years or useful life Working Capital-7 to 10 years	RE Loans-25 years FF&E-up to 15 years or useful life Working Capital-7 to 10 years	RE Loans-30 years FF&E-up to 15 years or useful life Working Capital-7 to 10 years
Government Guarantees	75% on most loans	75% on most loans	80% < \$5MM 70% \$5-10MM 90% (Not for profit loans)
Borrower Equity	10-25%, with some cases being less and up to 100% financing	10-25%, with some cases being less and up to 100% financing	Profit, Not for Profit, and qualified municipalities
Eligible Businesses	For- Profit businesses only	For- profit businesses only	Not a requirement
Owner Occupied	Required	Required	Not a requirement
Business Size Restriction	Borrower's net worth must be less than \$15MM; less than \$5MM profit	Borrower's net worth must be less than \$15MM; less than \$5MM profit	NONE
Location Restriction	NONE	NONE	Business must be in a location with a population less than 50,000 or 10,000 for Non-Profit
Prepayment Penalty	1,3,5% - only if loan term is equal to/exceeds 15 years	1,3,5% - only if loan term is equal to/exceeds 15 years	Determined by the bank*

Benefits of Government Guaranteed Lending

- Limited prepayment penalties
- Longer terms to maximize cash flow (7-30 year amortizations)
- Lower down payments
- No balloon payments
- Loan closing costs may be financed
- Working capital financing
- Business acquisition

Get Started Today!



* Prepayment penalty is determined by the bank. Applicants must meet the SBA or USDA B&I credit and eligibility standards. The SBA and USDA itself does not make loans, but rather guarantees a portion of loans made and administered by commercial lending institutions. All loans are subject to credit review and approval. FLCBank is a trademark of Florida Capital Bank, N.A. Member FDIC. 2/2020