

SBA ELIGIBILITY ASSESSMENT

- Loan request is \$2,000,000 or less for 7a program. With Real Estate up to \$6 million on 504 program.
- No prior defaults on any government loans
- No outstanding tax liens/judgments
- Within business size limits based on NAICS code and type of industry.
 - Manufacturing companies: 500 or fewer employees
 - Wholesale companies: 100 or fewer employees
 - Retail/Service companies: No more than \$8.5mm in net worth for the business and its affiliates and no more than \$3.0mm in two year average after tax profits
 - Some variations depending on NAICS code
- Use of loan proceeds includes:
 - Purchase owner occupied real estate/new construction take-out
 - Purchase equipment, furniture, fixtures
 - Expansion capital
 - Permanent working capital
 - Leasehold improvements
 - Business start-up financing
 - Franchise financing
 - Business acquisition financing
 - Refinance existing business debt (lines of credit; credit cards; bullets; balloons)
 - Accounts receivable and inventory financing
- For profit business
- Business located in the United States or possessions
- Willingness to pledge available collateral
- Personal guarantee of 20% or more owners
- Within personal liquidity limits. Excess assets must be invested.
- Reasonable owner equity to invest in start-ups and business acquisitions
- Ability to repay loan from business cash flow