

# Small Business Association (SBA) Loans offer affordable, flexible solutions to meet the needs of small businesses.

Program	Loan Size	Lender	Purpose
7(a) loan program (SBA's flagship loan program)	Up to \$5 million	Banks, credit unions, specialized lenders	To fund working capital, expansion and equipment purchases
504 loan program	Up to \$5.5 million	A combination of traditional lenders like banks and Certified Development Companies (CDC)	To fund long-term, fixed assets like land, machinery and facilities
Microloans	Up to \$50,000	Community-based nonprofits	To fund working capital, inventory, supplies, equipment and machinery

## SBA Loan Features and Benefits

**Closing costs may be financed.**

**Lower down payment requirements than traditional business loans.**

- As low as 10%, enabling businesses to keep more cash on hand for operations.

**Longer repayment terms than traditional business loans.**

- Stretching out repayment allows more businesses to qualify and conserve cash.
- 25 years for real estate, 10 years for non-real estate.

**No prepayment penalty for loan terms of less than 15 years.**

- Flexibility allows for early repayment to suit business needs and cash flow.

**More relaxed requirements than traditional business loans.**

- The SBA guarantee enables the bank to extend more favorable terms and to lend to businesses that otherwise may not qualify to borrow money conventionally.

**Funds can be used for many purposes.**

- Working capital needed for growth
- Construction, renovations, and expansions
- Buying an existing business or partner buyout
- Refinancing existing debt
- Purchasing fixed assets like equipment and commercial real estate
- Start-up businesses, including professional services and franchises

**Interest rate caps.**

- Provides borrowers with competitive terms like traditional business loans.

**No Balloon Notes.**

- Provides borrower with certainty in its repayment terms until the loan is paid in full.



**At Midland, supporting our communities and small businesses is at the core of who we are. We are proud to offer SBA Lending Services.**

**Learn more about SBA Loans & Apply Online for an SBA Loan.**

Visit our SBA Lending Resource area at [midlandsb.com/small-business-loans](https://midlandsb.com/small-business-loans)