

# Small Business Lending



## **SBA 7(A) LOAN PROGRAM OVERVIEW**

### **When You Need A Loan, We're Ready to Help.**

CIT Small Business Lending is The Nation's #1 SBA Lender. We have been designated as a Preferred Lender by the SBA which gives us the authority to make credit decisions on behalf of the US Government. This enables us to process loans more quickly and efficiently than many other SBA lenders.

There are a number of advantages to an SBA loan, including longer terms, no points and no balloon payments.

### **Who is Eligible for an SBA Loan?**

Most for-profit small businesses are eligible for an SBA guaranteed loan. This includes manufacturers, wholesalers, retail and service businesses as well as independent or franchise businesses.

### **Loan Qualifications**

- Retail and service businesses with sales (3-year average) not exceeding \$6 million to \$20 million, depending on the industry
- Wholesalers and manufacturers with employees up to 100 and 500 respectively, regardless of sales volume

### **SBA 7(A) Loan Size**

\$75,000 to \$2.0 million

### **Loan Fees**

- Loan packaging fee: \$750 to \$1,500
- Fee is based on loan size, it is collected at the time of loan submission; refunded if declined by credit
- SBA guaranty fee: 0.85% to 2.60% of the loan amount
- Fee can be financed in the loan

### **Use of Proceeds**

- Commercial real estate (purchases, construction, or refinance)
- Leasehold improvements
- Business expansions
- Machinery, equipment, furniture or fixtures
- Business acquisition
- Working capital (offered in conjunction with some of the above)
- Start-Ups (Franchise, Medical Professionals, Franchise Hotels)

### **Collateral**

- First security interest in all business assets (excluding titled vehicles)
- Personal assets (including residences) may be taken as collateral

### **Terms**

- Up to 25 years for real estate purchase
- Up to 10 years for business acquisition
- Up to 7 years for franchise start-ups

### **Down Payments**

- 10% of commercial real estate purchase
- 15% - 20% for business acquisitions
- 30% for business start-ups (see use of proceeds for qualified industries)

### **Other Credit Considerations**

- Business must have adequate historic cash flow to cover the proposed debt
- Business debt to net worth must meet industry averages
- Borrowers must be actively involved in the day-to-day operation of the business
- Satisfactory personal credit histories are required for all principals and guarantors
- No past bankruptcies or felony arrests

**For more information, please contact us at 800-713-4984**

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