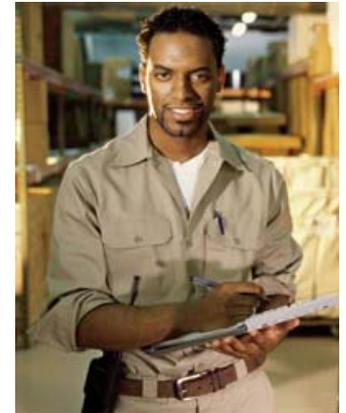


U.S. Small Business Administration



Programs and Services



Helping you start, grow and succeed.

U.S. Small Business Administration

- Independent federal agency
- Created in 1953
- Offices in every state and province
- Approximately 3000 employees nationwide
- SBA is a very small agency
- The Tennessee District has 13 employees

Services

- Financial Assistance
- Business Development Program
- Surety Bonds
- Counseling and Training

Financial Assistance

- Financial Assistance for new or existing businesses through guaranteed loans made by area bank and non-bank lenders.

Use of Loan Proceeds

- **7(a) loans may be used to:**
- Expand, renovate facilities
- Buy machinery, equipment, fixtures, buildings and land for business
- Finance receivables and working capital
- Refinance existing debt (with compelling reason)
- Finance seasonal lines of credit
- Construct commercial buildings
- Finance direct costs on contracts

Guaranteed 7(a) Loan Program

- 7(a) Loan Types
 - Regular 7(a)
 - SBA Express
 - Patriot Express
 - Community Express

7(a) Loan Guarantee

- Maximum guarantee is 85%, \$150,000 or less
- 75% when loan exceeds \$150,000
- Maximum guaranteed dollars is \$1.5 million
- Total loan cannot exceed \$2 million
- Must be for-profit business

SBA Express

- Loans up to \$350,000
- Lenders use their own forms – No SBA forms are required
- Can be used for revolving line of credit
- Applications can be e-filed with SBA
- SBA guarantees 50% of the loan

Community Express

- Loans up to \$250,000
- For loans under \$25,000
 - No Collateral
 - No Financial Statements Required
 - No Tax Returns
- Full or part-time businesses are eligible
- Start-up, construction, home-based, internet or existing businesses are eligible
- Must be operated for-profit
- Streamlined application process – credit decision within 7-10 days
- Technical assistance will be provided, free of charge, if requested

Patriot Express

- Loans up to \$500,000
 - Eligible military community members include:
 - Veterans
 - Service-disabled veterans
 - Active-duty service members eligible for the military's Transition Assistance Program
 - Reservists and National Guard members
 - Current spouses of any of the above
 - The widowed spouse of a service member or veteran who died during service or of a service-connected disability
- For loans over \$350,000, lenders required to take all available collateral

504 Loan Program

- Fixed Asset Financing
 - Can be used for:
 - Purchase land and construct new buildings
 - Purchase and renovate existing buildings
 - Acquire and install machinery
 - Expand existing facilities
 - Advantages:
 - Low down payment as little as 10%
 - Long repayment term 10-20 years
 - Low, fixed interest rate on 504 debenture

Government Contracting

- Each year, our government spends billions of dollars in goods and services purchases from private firms.
- To encourage the use of small businesses in federal procurement, small business goals were established for federal agencies. SBA negotiates the goals annually with federal agencies.

Government Contracting

- Currently, the overall small business goal is 23%, which is referred to as small business set-asides. This includes the specific goals of:
 - 5% to women-owned small businesses
 - 3% to service disabled veterans
 - 5% to small disadvantaged businesses, and
 - 3% to HUBZone businesses

8(a) Business Development Program

- Socially and economically disadvantaged firms
- Formal Certification Process
- 101 – 8(a) firms in Tennessee
- Able to compete for 8(a) set-aside contracts
- Almost \$40 million per year in contracts

SBA Surety Bond Guarantee

- A surety guarantee is an agreement between a surety and the SBA.
- SBA will guarantee bonds written by any surety company that has been approved to participate, and is listed in the U.S. Treasury's Circular 570.
- Through two separate guarantee programs, SBA can provide a surety a 70-90% guarantee of the percentage of loss in the event the contractor breaches the terms of the contract.

Service Corps of Retired Executives - SCORE

- Score volunteers are retired business owners or managers, who provide management counseling and training to first time entrepreneurs and current small business owners.
- www.score.org

Small Business Development Centers - SBDC

- SBDC provides management and technical assistance to small businesses using an effective business education network.
- www.tsbdc.org

Helpful Links

- Calendar for Training Events:
 - www.sba.gov/tn
- Counseling and other Start-up Questions:
 - www.score.org
 - www.tsbdc.org
 - www.onlinewbc.gov

Statistics

- Small Businesses create 65% of all new jobs
- Small Business are 97% of America's exporters and producer of all export value
- Small Businesses employ 45% of Tennessee non-farm private sector workers
- Small Businesses make up 97% of all Tennessee employers
- There are 471,316 Small Businesses in Tennessee.

Tennessee District Office

50 Vantage Way, Suite 201
Nashville, TN 37228

615-736-5881

www.sba.gov/tn