

FOR BORROWERS

7(a) Loan Program

Flexible Financing for Your Small Business

Having trouble securing capital to meet your small business needs? The U.S. Small Business Administration 7(a) Loan Program is designed to help small businesses that are creditworthy but cannot qualify for a conventional loan. The SBA works with participating lenders to reduce their risk, increasing the likelihood of your loan's approval.

Borrowers may use SBA-backed 7(a) loan proceeds for almost any legal business purpose. The loan can be used to purchase and/or improve real estate, equipment and inventory or provide working capital. Proceeds may also be used to refinance business debt, purchase an existing small business or franchise and finance partner buyouts.

Eligibility Criteria

To qualify, your business must:

- Operate for profit within the United States (including U.S. territories and possessions).
- Meet SBA's small business size standards [sba.gov/size](https://www.sba.gov/size)
- Demonstrate that it can repay the loan.

Need Help?

If you aren't sure whether your business is ready or eligible for a loan, contact your local SBA district office to discuss SBA funding options or visit [sba.gov/tools/local-assistance](https://www.sba.gov/tools/local-assistance).



Loan Overview

Max loan amount: \$5 million

Interest rate: Rates may be fixed or variable, generally capped at prime +2.75 percent (for loans less than \$50,000, higher rates may apply).

Terms: Loan terms vary according to the purpose of the loan, generally up to 25 years for real estate or 10 years for other fixed assets and working capital.

Guarantee: 50 to 90 percent



U.S. Small Business
Administration

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