

## **SBA PROGRAMS ARE MORE IMPORTANT THAN EVER FOR SMALL BUSINESS**

We help small business get the most from SBA loans and programs.



The Small Business Administration (SBA) helps Americans start and grow businesses that create jobs and power the economy. Through SBA loans and programs, the Small Business Administration and their partners strive to be an ally for a business owner through every phase of a business's lifecycle.

Helping to arrange financing and providing support, SBA programs are focused on helping small businesses through everyday challenges and difficult economic times. By taking advantage of SBA programs, small business owners can expand to new markets and increase capacity as early as two years into their business.

Continue reading to find out:

- Benefits of a Small Business loan
- Types of SBA programs
- Coronavirus relief options
- How a banking relationship can assist you with a loan

### **SBA Programs: More Than Just Loans**

Although providing loans is probably what the SBA is most known for, they also provide a range of services that can be just as valuable to new and established small businesses:

- Counseling, through resource centers throughout the U.S.
- Certification workshops, to help owners grow and compete
- Contract opportunities, through unique programs seeking certain business profiles

Still, SBA loans are what most small business owners seek. Through SBA lending programs, virtually all small businesses

can find financing support for their business and their goals:

- Business Acquisition or Partner By-Out
- Access revolving credit or working capital for day-to-day expenses
- Purchase, renovate or expand facilities
- Purchase inventory, equipment or machinery
- Purchase owner-occupied real estate
- Export a product or service

### **SBA Loans: an Overview**

There are two primary SBA loan programs: the SBA 7(a) and the SBA 504. In general, the ways these two programs differ are the size of the loans available, what the loan is intended for, interest rates and terms.

- The SBA 7(a) Program is for those who may want to buy a business or have money for expansion. It is designed for businesses looking to acquire an existing business, buy out a partner, expand to another location, purchase real estate or equipment, or for those looking to combine any of these needs into one loan.
- The SBA 504 Program is for business owners seeking to finance commercial real estate or large equipment. This program is for those small businesses looking to expand through land or building acquisition, construction or equipment purchase.

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## Benefits of a Small Business Loan

SBA-guaranteed loans can be used for a variety of business purposes, including expanding an existing business. Using the SBA guarantees reduced risk, which allows lenders to access capital and assist businesses that might not otherwise qualify for business loans.

SBA Preferred Lenders can provide competitive terms, lower down payments, flexible overhead requirements, no collateral for some loan types, continuous support, counseling and education to ensure your success.

## COVID-19 Response

Along with Preferred Lenders, the SBA has responded quickly to the crisis and has been assisting small businesses with COVID-19 relief programs. Over 1.1 million loans have been funded just in California. If your business is struggling through these unprecedented times, here are some SBA programs that may assist you:

- Paycheck Protection Program – a loan designed to assist with employee retention and help cover small business expenses. This program closed on August 8, 2020.
- Economic Injury Disaster Loans (EIDL) – financial assistance program designed to provide economic relief to businesses that are currently experiencing a temporary loss of revenue due to coronavirus.
- SBA Debt Relief – financial deferment program to assist businesses affected by the pandemic.

## The Right Banking Relationship Is the Key to Unlocking SBA Success

The SBA encourages business owners to find an experienced business bank—not simply one that provides an array of SBA loans, but one that will be a trusted, reliable and responsive resource throughout a business's life cycle.

If you're not familiar with SBA loans, a Banc of California Relationship Manager will help you understand your loan options and create an SBA business plan to succeed. Additionally, we will assemble a support team of banking experts who will learn about your business and recommend business banking services to help you reach your goals.

## Applying for an SBA Loan

When you speak to a Banc of California Relationship Manager, they will explain the SBA application process, eligibility requirements and loan terms, and present available interest rates and terms. As a Preferred Lender with a track record for getting our SBA loans funded quickly and efficiently, we will guide you through all of your options and answer all of your questions.

To contact us or learn more about SBA Programs visit: [bancofcal.com/sba-resources](https://bancofcal.com/sba-resources)

For additional resources, visit: [sba.gov](https://sba.gov)



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