



U.S. Small Business
Administration



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SBA PROGRAMS AND SERVICES



September 26, 2018

SBA's Mission and Purpose

- **Aid**
- **Counsel**
- **Assist**
- **Protect the interests of small business concerns**
- **Support**
- **Champion small businesses**



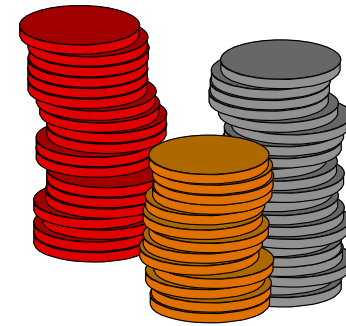
Simply put.....

*We help people
get into
business, stay
in business,
grow and
prosper.*



Programs Of Assistance

- **Financial Assistance Programs**
- **Non-Financial Assistance**



Non-Financial Assistance Programs

- ◆ **Government Contracting Assistance (\$500B Market Place)**
 - **Prime Contracts**
 - **Subcontracting Assistance**
 - **Certificate of Competency (COC)**
 - **Size Determination**
 - **All Small Mentor Protégé Prog.**
- ◆ **Surety Bond Program**
- ◆ **Procurement Network (DSBS) and SUB-Net**
- ◆ **Small Business Innovation Research Program (SBIR)**
- ◆ **Hubzone Empowerment Contracting**
- ◆ **All Small Mentor-Protégé Program**
- ◆ **Women's Business Resource Centers**
- ◆ **Small Business Development Centers (SBDCs)**
- ◆ **Service Corps of Retired Executives (SCORE)**
- ◆ **Small Disadvantaged Business Certification (SDB)**
- ◆ **Section 8(a) Business Development Program**
- ◆ **Woman-owned Small Business Program**
- ◆ **Section 7(j) Management and Technical Assistance**
- ◆ **BusinessLaw.gov**
- ◆ **SBA Small Business Classroom**

ACCESS TO CAPITAL

Sources of Financing



Financial Assistance Programs

■ 7(a) Loan Program

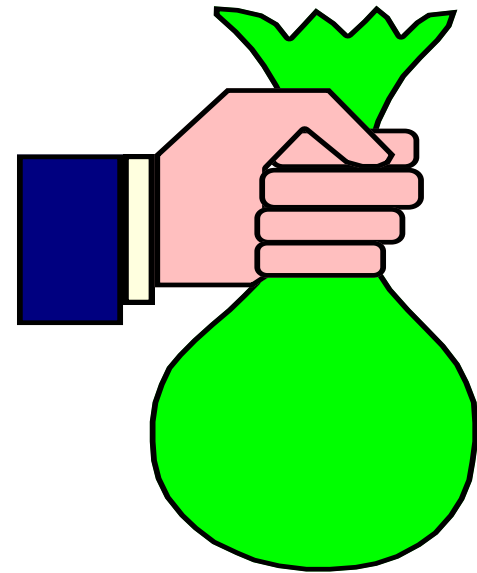
- ◆ SBA *Express*
- ◆ Caplines
- ◆ Community Advantage



- Export Working Capital Program (EWCP)
- International Trade Loans
- 504 Loans
- Small Business Investment Company (SBIC) Program
- Microloan Program
- Disaster Assistance Program

7(a) Guaranty Loan Program

- ◆ Generally, SBA may guarantee loans up to \$5.0 million made to a small business by a bank or non-bank lender.
- ◆ The guaranty rate is 85% on loans up to \$150,000 and 75% on loans in excess of \$150,000
- ◆ SBA's maximum exposure amount is \$3,750,000
- ◆ The guarantee SBA provides encourages the lender to make more loans to small businesses
- ◆ SBA Express loans - maximum guarantee set at 50 percent



Terms and Interest Rates

- **Terms and Interest Rates are negotiated between borrower and lender; however, SBA places a cap on the interest rate a lender can charge**
 - **Shorter than seven years, the maximum spread will be no more than 2.25 percent**
 - **Seven years or more, the maximum spread will be 2.75 percent**
- **Typically, longer terms are given to repay SBA guaranteed loans**

Use Of Loan Proceeds

- **Start-up**
- **Expansion**
- **Working Capital**
- **Inventory**
- **Machinery/Equipment**
- **Furniture/Fixtures**
- **Purchase/Construct building**
- **Business buyout**
- **Leasehold improvements**
- **Debt restructure**



Microloan Program

- Provides small loans ranging from \$500 to \$50,000.
- SBA makes funds available to nonprofit intermediaries. These, in turn, make the loans.
- Average loan size is \$13,000.
- Generally, completed applications are processed by the intermediary in less than one week.
- Rates will be between 8 and 13%
- Maximum maturity is six years



Surety Bond Guaranty

• SBA provides – **Program**

Bid Bond

Payment Bond

Performance Bond

• **Gives sureties an incentive to provide bonding**

• **Strengthens contractors ability**

• **Increases access to contracting opportunities**

• **SBA assumes percentage of loss**

Surety Bond Guaranty

- **Guarantee bonds for contracts up to \$6.5 Million**
- **With justification from contracting officer, may guarantee bonds for Federal contracts up to \$10.0 Million**
- **Quick Apps for bonds up to \$400,000**
- **Reimburse surety for losses incurred**
- **Prior Approval Program – SBA Guarantees 90% of losses on bonds up to \$100,000 on bonds to certified 8(a) and SDB firms; 80% on all other bonds**
- **Preferred Surety Bond (PSB) – 70% Guarantee**
- **SBA's bonds do not cover subcontractors**

ALL SMALL MENTOR PROTÉGÉ PROGRAM

Business Development Assistance for Small Businesses

Purpose

- Develop strong protégé firms through mentor-provided business development assistances
- Help protégés successfully compete for government contracts
- Help take small businesses to the next level

Business Development Assistance for Small Businesses

Please visit SBA

Web Site - <http://www.sba.gov>

Call the SBA Answer Desk

1-800-U-ASK-SBA

(1-800-827-5722)



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PUTTING THE PIECES TOGETHER

How can we help you?

Louisiana District Office

*“Supporting the Formation,
Growth, Prosperity, and Viability
of Louisiana’s small businesses.”*

Thank you!!

