

7(a) Small Loan

Maximum loan amount	\$350,000
Maximum SBA guarantee %	85% for loans up to \$150,000 and 75% for loans greater than \$150,000
Interest rate	Lenders and borrowers can negotiate the interest rate, but it may not exceed the SBA maximum
Eligibility decision	By the SBA. Qualified lenders may be granted delegated authority (PLP) to make eligibility determinations without SBA review.
SBA turnaround time	5-10 business days
Forms	SBA Form 1919 and SBA Form 1920 are required for every loan (other SBA Forms may be required)
Collateral	Lenders are not required to take collateral for loans up to \$25,000. For loans over \$25,000, up to and including \$350,000, the lender must follow the collateral policies and procedures that it has established and implemented for its similarly-sized non-SBA-guaranteed commercial loans, but at a minimum the lender must take a first lien on assets financed with loan proceeds and lender must take a lien on all of the applicant's fixed assets including real estate. Lender is not required to take a lien against applicant's real estate when the equity is less than 25% of the fair market value. The lender may limit the lien taken against real estate to the loan amount.
Credit decision	By the SBA. Qualified lenders may be granted delegated authority (PLP) to make credit decisions without SBA review.