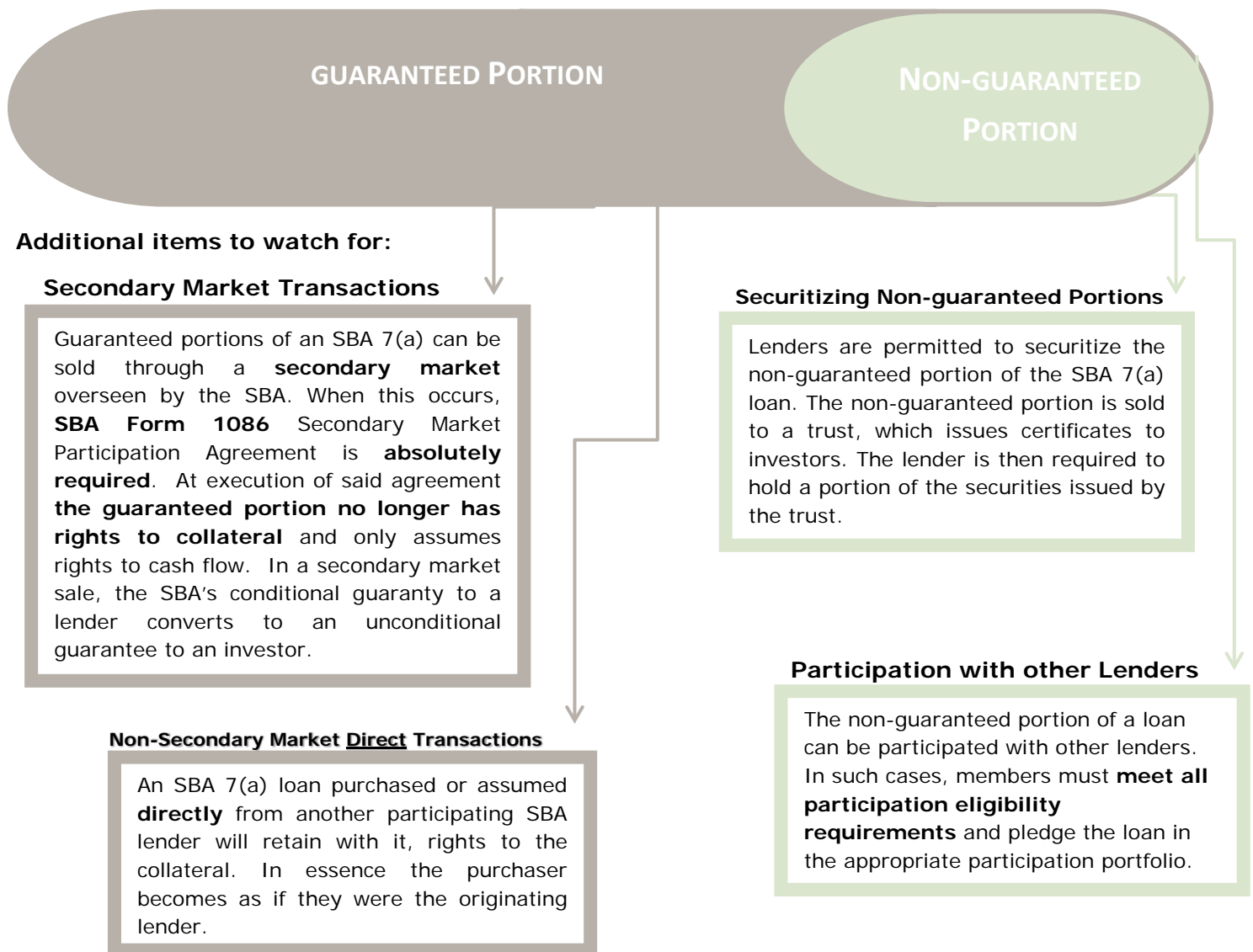


SBA PROGRAM SUMMARIES: COLLATERAL

SBA 7(a) Loan Program

Program	Use of Proceeds	Guarantee	Features	Eligibility
7(a) Loans	Expansion / renovation; new construction, purchase land or buildings; purchase equipment, fixtures, lease-hold improvements; working capital; refinance debt for compelling reasons; seasonal line of credit, inventory, starting a business.	85% guaranty for loans of \$150,000 or less; 75% guaranty for loans greater than \$150,000.	Max guarantee \$5 MM, Maturity generally <=25yrs, Adj or Fixed Rates, No Balloons, No Prepayment penalties under 15 yrs.	CRE, CFI : Only the portions of an SBA loan that a member continues to own and report on its call report is acceptable to pledge. Must meet all eligibility criteria for the respective portfolio; LOC's must be entirely owned by the member.



SBA PROGRAM SUMMARIES: COLLATERAL

SBA 504 (CDC) Loan Program

Program	Use of Proceeds	Guarantee	Features	Eligibility
504 Loans Provided through Certified Development Companies (CDCs) which are licensed by SBA.	Purchase land, existing buildings, improvements, grading, street improvements, utilities, parking lots, landscaping, construction, modernizing, renovating, converting existing facilities, purchase long-term machinery and equipment.	Project costs financed as follows: <u>CDC</u> : up to 40% <u>Lender</u> : 50% (Non-guaranteed) <u>Equity</u> : Min of 10%.	Max debenture \$5 - \$5.5 MM depending on type of business or project, Declining prepayment penalty for 1/2 of term, No Balloons. <u>CDC Loan</u> : (100% guaranteed debenture) 2nd Lien , 10- or 20-year term fixed. <u>Lender Loan</u> : (Non-guaranteed) 1st Lien , May have a shorter term. Fixed or adjustable.	CRE : Only the portions of an SBA loan that a member continues to own and report on its call report is acceptable to pledge. Must meet all eligibility criteria for the respective portfolio.



Additional items to watch for:

Participation with other Lenders

The lenders non-guaranteed loan is commonly participated with other lenders. In such cases, members must **meet all participation eligibility requirements** and pledge the loan in the appropriate participation portfolio.

Timing of the Debenture

It is common for the debenture to arrive after the original funding has been extended. Until this time the member may both portions as one loan on their books. Watch for change in terms to amortize anew the remaining Non-guaranteed balance after the debenture has funded.

SBA PROGRAM SUMMARIES: COLLATERAL

Other SBA Loan Programs

Program	Use of Proceeds	Guarantee	Features	Eligibility
SBAExpress	Same as 7(a), also revolving LOC's up to 7yr Mat.	50%	Max Loan \$350K, fast turnaround, streamlined process, easy-to-use LOC.	Same as 7(a)
SBA Veterans Advantage 7(a) or SBA Veterans Advantage Express	Same as 7(a) or SBA Express depending on application.	Same as 7(a) or SBA Express	Same as 7(a) or SBA Express, small business must be owned and controlled (51%+) by one or more of the following groups: veteran, active-duty military in TAP, reservist or National Guard member or a spouse of any of these groups, or a widowed spouse of a service member or veteran who died during service, or a service-connected disability. Reduced or no guarantee fee.	Same as 7(a) or SBA Express - program to expire 09/30/16
CapLines	Working Capital Line, Contract Line, Seasonal Line, Builders Line	Same as 7(a)	Finance seasonal or short term working capital needs, finance daily cost to perform, construction costs, advances against existing inventory and receivables with revolving line options.	Same as 7(a), CapLines are not likely to meet eligibility criteria for any portfolio.
Additional Programs			International Trade Program, Export Working Capital Program, Export Express Program, Microloan Program, Community Advantage, Disaster Loan Program, New Markets Venture Capital (NMVC) program, Rural Business Investment Program (Non-Leveraged)	Program information: sba.gov/for-lenders

Note: The above information can be found at <http://www.sba.gov/for-lenders>.