

SBA/USDA FUNDING 101

A GUIDE FOR SMALL BUSINESS

PRESENTED BY



FIRST PORT
CITY BANK
Putting People First

HOSTED BY



BAINBRIDGE & DECATUR COUNTY



Government Guaranteed Lending Division



Why



sba source ?



U.S. Small Business
Administration

**PREFERRED
LENDER**

- Regional Lender
- Experienced Team
- Efficient Process
- SBA Preferred Lender

Loan Products



- Small Business Administration (SBA) loans
 - 7(a) Guaranteed loans up to \$5 million
 - 504 real estate loans up to \$10 million total project



- United States Department of Agriculture (USDA) Business & Industry loans
 - Rurally located guaranteed loans up to \$10 million



- Farm Services Agency (FSA) loans
 - Farm guaranteed loans up to \$1,776,000

SBA Benefits



U.S. Small Business
Administration

- Capital preservation (lower payments, longer terms)
- Terms from 7-25 years (dependent upon the loan purpose)
- Relaxed collateral requirements
- Use for Business Acquisitions, Start-Ups, Franchises, Restaurants, Hotels, Professionals, Partner Buy-Outs, and many other eligible uses

USDA & FSA Benefits



USDA Business & Industry Loans

- Max 80% guaranteed if approved by the USDA
- Must be fully secured on discounted basis
- 10% existing balance sheet equity or 20% injection for startups



FSA Farm Loans

- 90% guaranteed up to \$1,776,000
- Purchases and debt refinance okay

Loan Example #1

Tina Jones is opening a new franchise restaurant in Bainbridge and needs a \$350,000 loan

- Term is 10 years plus 3 months construction
- Variable interest rate of Prime + 2.00%
- Loan will be under-collateralized and borrower only has 10% equity injection
- Borrower has a good credit score and some equity in their personal home

Loan Example #2

Bobby Jones wants to purchase his land and building for his successful business

- Term is 25 years
- Variable interest rate of Prime + 1.50%
- Loan is fully collateralized and borrower does not need to inject additional collateral
- Business balance sheet reflects debt-to-worth ratio of no greater than 9:1

Loan Example #3

Sara Marshall wants to buy an existing Motel in Thomasville USDA Business and Industry Loan

- Term is 30 years
- Variable interest rate of Prime + 1.50% adjusting every 5 years
- Loan is fully collateralized on a discounted basis
- Minimum 10% Balance Sheet Equity Required

SBDC Contact

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**Small Business
Development Center**
UNIVERSITY OF GEORGIA

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DEVELOPMENT CENTER**

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The University of Georgia SBDC offers business consulting to Georgia business owners and entrepreneurs at no direct cost. Our goal is to grow stronger, more successful Georgia businesses. Your business can take advantage of our wide range of services, including:

FOR STARTUPS

- ◆ Understanding credit requirements and lending expectations
- ◆ Access to market research analysis
- ◆ Break-even and financial feasibility analysis
- ◆ Business plan assistance
- ◆ Income and cash flow projection assistance
- ◆ Loan proposal preparation
- ◆ Understanding business entity structuring
- ◆ Research on local, state, and federal regulatory requirements
- ◆ Record keeping systems and data management assistance
- ◆ Marketing assistance
- ◆ Human resource planning

FOR EXISTING BUSINESSES

- ◆ Access to market research resources
- ◆ Business plan assistance
- ◆ Income and cash flow projections
- ◆ Loan proposal preparation
- ◆ Accounting and financial management assistance
- ◆ Cash flow analysis and ratio comparison
- ◆ QuickBooks assistance
- ◆ Strategic planning
- ◆ Research on local, state, and federal regulatory requirements
- ◆ Record keeping systems and data management assistance
- ◆ Marketing assistance
- ◆ Human resource planning
Helping with Job Descriptions & Employee Handbooks
- ◆ Business continuity planning
- ◆ Website design & improvement
- ◆ Social Media marketing
- ◆ Business health check up



Funded in part through a cooperative agreement
with the U.S. Small Business Administration.

CARES Act Funding

- No Upfront SBA Fees
- SBA Pays First 6 Months Payments (subject to funds availability)
- Loan Amounts from \$250k to \$5 Million
- One Time Close – 25 Year Max Term

SBA/USDA Lead Contact



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