



LOAN GUARANTEE PROGRAM

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Profile

Modification to existing SBA
7(a) loan program

Highlights

- Expands the allowable uses for the existing 7(a) SBA loan program to permit payroll support, including paid sick leave, supply chain disruptions, employee salaries, mortgage payments, and other debt obligations to provide immediate access to capital for affected small businesses. Expands the max loan amount from \$5 million to \$10 million.
- The maximum loan amount for SBA Express loans would be increased from \$350,000 to \$1 million. These loans provide borrowers with revolving lines of credit for working capital purposes.

\$10M max

7(a) loan amounts

Implementation

- Leverages existing program administered by the SBA and existing SBA-certified lenders, including banks, credit unions, and other financial institutions.
- The cost of participation in the 7(a) program would be reduced for both borrowers and lenders by providing fee waivers, an automatic deferment of payments for one year, and no prepayment penalties.

