

SBA 7(a) COMMUNITY ADVANTAGE LOAN PROGRAM

COMMUNITY ADVANTAGE OVERVIEW

The U.S. Small Business Administration Community Advantage Loan program is designed for new and existing businesses that need loans under \$350,000. The loan can be used to finance a startup company or expand an existing small business or buy real estate.

LOAN AMOUNTS

Up to **\$350,000**

DOWN PAYMENT

Minimum 10%

ELIGIBLE PROJECTS

- Working capital, equipment, inventory
- Real estate—purchase or renovation
- Debt refinancing

ELIGIBLE BUSINESSES

For profit, small businesses in underserved markets, with primary focus on:

- Low-to-moderate income areas.
- Businesses where more than 50% of the workforce is low income.
- Veteran owned businesses.
- New businesses (less than 2 years old).

INELIGIBLE BUSINESSES

- Businesses involved in lending.
- Investment real estate.
- Pyramid-type businesses.
- Businesses that derive more than 1/3 of revenue from gambling.
- Payments to owners or to pay delinquent taxes, etc.
- Businesses that have previously defaulted on a government loan.

COLLATERAL AND SECURITY

All loans shall be secured by available assets of the borrower and its principals to the extent necessary to protect the interests of the lender.

MAXIMUM TERMS

- Working capital/equipment—10 years
- Real estate—25 years
- Debt refinancing—varies

MAXIMUM RATES

Prime + 6%

REAL ESTATE, REFI & EXPORT PROJECTS

REAL ESTATE PROJECTS

New Construction

- Applicant or Operating Company must occupy at least 60% of rentable space for the term of the loan.
- May lease long term no more than 20% of rentable space.
- Must have plan to occupy some of the remaining space within 3 years and will occupy all rentable space not leased long term within 10 years.

Purchase/Renovation of Existing Building

- Must owner occupy long term at least 51% of the rentable space.
- Loan proceeds cannot be used to remodel or convert non owner occupied space.

REFINANCING OPTIONS

- Long term debt with a demand note or balloon payment.
- Debt with an interest rate over the SBA maximum.
- Business credit card obligations.
- Revolving line of credit can be refinanced to a term loan in some circumstances.

EXPORTING PROJECTS

Borrower Eligibility

- Must already be an exporter, or have viable plan to become an exporter.

Loan Eligibility

- Must improve the competitive position of the business.
- Must increase exporting activity—more export sales or more export markets.

BRIGHTBRIDGE CAPITAL

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BrightBridge provides the Community Advantage loan in Tennessee, North Alabama, North Georgia & Western North Carolina.

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