



WELCOME TO SBA 101

CRESSIDA
CAPITAL

SBA 101 Week 4

Agenda – Week 4

- Recap of Weeks 1 - 3
- Keys to getting an SBA loan approved
- Know your deal!
- Requested Topics to Review
- Q & A

Weeks 1 - 3 Recap

- For real estate, business must occupy 51% or more of the rentable space within 12 months of ownership
- Differences between SBA 504 and 7a
- USDA
- Questions?

Keys to Getting Approval

- Pre-qualify every borrower and loan request
- Does it qualify/eligibility for SBA – 51% or more, etc.
- Financials – especially the most recent year end & current year to date
- Business trends
- Credit
- Down payment requirements

Know Your Deal

- Ask all the key questions and then some
- Purpose of loan request? What will the loan be used for?
- Credit, citizenship, time in business, structure of the business (ownership)
- Has the borrower ever had an SBA loan?
- Other businesses the borrower owns
- Anything that might preclude the borrower from qualifying?

Requested Topics

- Estimated closing costs for 504, 7a and USDA, Even including the SBA guarantee fee:
 - ✓ SBA guaranty fee
 - ✓ Good faith deposit
 - ✓ 3rd party fees – appraisal, environmental
 - ✓ Other fees
- Timing to close for each program, conditions waiving
- Main Street Lending Program coming next? Next page...

Main Street Lending Program

Main Street Lending Program Loan Options	New Loans (MSNLF)	Priority Loans (MSPLF)	Expanded Loans (MSELF)
Term	4 years	4 years	4 years
Minimum Loan Size	\$500,000	\$500,000	\$10,000,000
Maximum Loan Size	Lesser of \$25M or 4x 2019 adjusted EBITDA	Lesser of \$25M or 6x 2019 adjusted EBITDA	Lesser of \$200M, 35% of outstanding and undrawn available debt, or 6x 2019 adjusted EBITDA
Risk Retention	5%	15%	5%
Payment (year one deferred for all)	Years 2-4: 33.33% each year	Years 2-4: 15%, 15%, 70%	Years 2-4: 15%, 15%, 70%
Rate	LIBOR + 3%	LIBOR + 3%	LIBOR + 3%

Main Street Lending Program

Eligible Borrowers: An Eligible Borrower is a Business that:

1. was established prior to March 13, 2020;
2. is not an Ineligible Business;
3. meets at least one of the following two conditions: (i) has 15,000 employees or fewer, or (ii) had 2019 annual revenues of \$5 billion or less;
4. is created or organized in the United States or under the laws of the United States with significant operations in and a majority of its employees based in the United States;
5. does not also participate in the MSNLF, the MSELF, or the Primary Market Corporate Credit Facility; and
6. has not received specific support pursuant to the Coronavirus Economic Stabilization Act of 2020 (Subtitle A of Title IV of the CARES Act).

Wrap Up

- Questions and/or comments?
- What was the most valuable part? Feedback...