

# SBA's Patriot Express Loan

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# SBA's Patriot Express Loan

## ◆ Maximum Loan Amount

- ◆ \$500,000.00

## ◆ Maximum Guaranty Percentage

- ◆ 75 percent to 85 percent depending on the amount of the loan

- ◆ The SBA guaranty on a Patriot Express loan may not exceed 85 percent for loans of \$150,000 or less

- ◆ Or, may not exceed 75 percent for loans over \$150,000

# SBA's Patriot Express Loan

- Eligibility Criteria

- Must meet standard SBA eligibility
- Must be 51 percent owned/controlled by:
  - Veteran (other than dishonorably discharged)
  - Service-disabled veteran
  - Active Duty Military potential retiree within 24 months of separation and discharging Active Duty member within 12 months of discharge (TAP eligible)
  - Reservist and National Guard (limited to current members and their spouses)
  - Current spouse of above or spouse of service member or veteran who died of a service-connected disability

# SBA's Patriot Express Loan

- Patriot Express Loan Uses:
  - The Patriot Express Loan may be used for the following purposes:
    - Business startup
    - Business expansion
    - Equipment purchases
    - Working capital
    - Inventory
    - Business-occupied real-estate purchases

# SBA's Patriot Express Loan

- Types of Programs, Businesses and Loans Not eligible for the Patriot Express Loan Program:
  - Energy conservation
  - International trade
  - Qualified Employee Trusts (ESOP)
  - Pollution Control Program
  - Defense Loan and Technical Assistance (DELTA)
  - CapLines Program (including Builders Loan Program)
  - Disabled Assistance Loan Program (DAL)

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- Types of Businesses Not Eligible for the Patriot Express:
  - Businesses engaged in teaching, instructing, counseling or indoctrination of religion or religious beliefs
  - Business engaged in the sale of products/services or the presentation of any depiction/displays of a prurient carnal nature
  - Non-profit businesses
  - Businesses engaged in lending
  - Passive holders of real estate/personal property
  - Life insurance companies
  - Pyramid businesses
  - Businesses engaged in gambling
  - Illegal businesses
  - Businesses that restrict patronage
  - Government-owned entities
  - Cooperatives
  - Businesses engaged in loan packaging
  - Business engaged in political or lobbying activities
  - Speculative businesses

# SBA's Patriot Express Loan

- Collateral Requirements
  - Lenders are not required to take collateral for loans up to \$25,000
  - Lenders may use their existing collateral policy for loans over \$25,000 up to \$350,000
  - Lenders must take available collateral for loans greater than \$350,000

# SBA's Patriot Express Loan

- Revolving Lines of Credit
  - Revolving loans are allowed up to 7 years with maturity extensions permitted at the outset
  - In offering revolving lines of credit and their enhancements, SBA must ensure that borrowers, particularly those accessing SBA guaranteed loans through credit cards, understand that these funds must be used for business-related purposes

# SBA's Patriot Express Loan

- Interest Rates

- For Patriot Express Loans, the standard 7(a) interest rate restrictions apply:

- A lender may charge up to 2.25 percent over the Prime rate for maturities under seven years
    - A lender may charge up to 2.75 percent over the Prime rate for maturities over seven years
    - The rates can be 2 percent higher for loans of \$25,000 or less
    - Or, 1 percent higher for loans between \$25,000 or \$50,000.

# SBA's Patriot Express Loan

- For information of SBA's business, technical or procurement assistance programs, visit our website at [www.sba.gov/sd](http://www.sba.gov/sd) or e-mail [chuck.hughes@sba.gov](mailto:chuck.hughes@sba.gov)
- For information on assistance for veterans or reservists, visit [www.sba.gov/vets](http://www.sba.gov/vets) or [www.sba.gov/reseverist](http://www.sba.gov/reseverist)