



*Advocates for making SBA Lending Easy  
Passionate About Your Business Success*

# MicroLoan Program

## WHO WILL BENEFIT

SBA Microloans, are most useful to businesses with smaller needs for capital.

**USE OF PROCEEDS** The loans can be used for:

- \* **working capital**
- \* **inventory**
- \* **supplies**
- \* **furniture/fixtures**
- \* **raw materials**
- \* **machinery/equipment**

**MAXIMUM AMOUNT** Each application will be considered on the basis of the company's unique financial needs. The program offers loans of up to \$50,000 to qualified start-up, newly established, or growing small businesses.

## INELIGIBILITY

- \* Non-profit organizations
- \* Consumer and marketing cooperatives
- \* Businesses dealing in the creation, origination, expression or distribution of ideas, values, thoughts, or opinions.

**RATES/TERMS/FEEs** Interest rates vary, but average between 8 and 13 percent, depending on the time in business, credit, use of funds and other underwriting criteria. SBA Microloans must be paid back in at least 6 years, but the payback period may vary depending on the size of the loan and the borrower's needs and intended use of proceeds. The borrower will be required to pay closing costs and legal fees not to exceed \$1,500.

**COLLATERAL/SECURITY** Collateral (or security) will be determined on a case by case basis. Potential borrowers should know the SBA requires sufficient collateral to secure each loan. If assets are purchased a first lien will be filed. In all loans the personal guarantees of the principal owners of the small business concern will be required.

**TECHNICAL ASSISTANCE** Technical assistance is available to clients who participate in the MicroLoan Program during the life of the loan. This assistance is designed to help micro-entrepreneurs obtain additional tools needed to operate their businesses successfully. MicroLoan borrowers will be required to complete a free business training session conducted by the lender.

## THINGS TO REMEMBER

Like any loan, an application for a loan guaranteed by the U.S. Small Business Administration involves forms and documentation. You may apply online at any time by visiting: [www.ampac.com](http://www.ampac.com) or call the office for an application at 909-915-1706

