



# SBA LOAN AUGMENTATIONS

THE GUIDE FOR THE SMALL BUSINESS OWNER

As part of the Economic Aid Act, the US ([Small Business Administration \(SBA\)](#)) is *allowed to make principal and interest payment contributions up to \$9,000 towards new and existing SBA 7 (a), 504 and Microloans* (less than \$34,000) programs for eligible businesses. In addition to making payments on these loans, the SBA is waiving fees for both 504 (SBA portion only) and 7 (a) loan programs. Now let's dive into the detail.

Loan Payment Coverage:

This matrix below outlines relief options based on the date, status, and amount of your monthly payment.

| Loan Approval Timeline  | Augmentation Benefits   |
|---|---|
| Loans approved from 03/ 27 / 2020 to 09/ 27 / 2020 that were not fully disbursed by 09 /27 /2020, now eligible for first round payment  | <ul style="list-style-type: none"> <li>• Receive 3-months of full principal and interest (P &amp; I) payments and any associated fees.</li> <li>• Payment begins when the loan is fully disbursed; Approval means the date the SBA assigned a loan number.</li> </ul>   |
| Loans approved before 03/27/2020 and not on deferment   | <ul style="list-style-type: none"> <li>• Receive 2 months of second round (P &amp; I) payments up to \$9,000 per month.</li> <li>• Begins with first payment due on the loan on or after 02/01/2021.</li> <li>• Additional 3-months of P&amp;I payments and any associated fees up to \$9,000 per month (following the 2-month period) and any associated fees for identified NAICS codes.</li> </ul> |
| Loans approved before 03 /27 /2020 and on deferment   | <ul style="list-style-type: none"> <li>• Receive 2-months of (P &amp; I) payments up to \$9,000 per month.</li> <li>• Begins with next payment due after deferment period.</li> <li>• Additional 3 months of P&amp;I payments and any associated fees up to \$9,000 per month (following the 2-month period) and any associated fees for identified NAICS codes.</li> </ul>                           |
| Loans approved beginning 02/01/2021 and ending 09/30/2021 when loan is fully disbursed  | <ul style="list-style-type: none"> <li>• Receive 3-months of full Principal and interest (P &amp; I) payments and any associated fees.</li> <li>• Limited to one loan.</li> </ul>   |
| Loans approved from 03/27 /2020 were not fully disbursed before 09/27/2020, and did not receive first round subsidy, now eligible for first round payments when the loan is fully disbursed | <ul style="list-style-type: none"> <li>• Receive 3-months of full (P &amp; I) payments and any associated fees.</li> <li>• Payments begin when the loan is fully disbursed; Approved means the date the SBA assigned a loan number.</li> </ul>  |

Please Note:

- All relief payments are subject to availability of funds.
- Loans approved between 2/27/2020 and 1/31/2021 are not eligible for subsidiary payments.

This information is accurate and updated as of 2/17/2021: Terms and conditions are subject to change.



## Loan Uses

- Business / practice purchase (including ESOP)
- Partner/Management buyout
- Expansion through acquisition
- Real Estate purchase including ground-up construction and tenant improvements
- Refinance existing business debt (including ESOP Trust loans)



## Loan Terms

- No SBA fees for both 7 (a) and 504 loans (SBA portion only)
- Loans from \$250,000 -\$5 million, varies by purpose and product
- Loans can include working capital to support your operations
- Fully amortized /no balloon payments
- No prepayment penalties for loan terms under 15 years

An Example:

Loan Amount = \$2,000,000 // Term (Months) = 120

| Current                                     | Change     | New                                      |
|---|------------|--|
| 6.00%<br>Interest Rate<br>(rates Vary)      | 0.00%      | 6.00%<br>Interest Rate<br>(rates vary)   |
| 0<br>(Subsidy Months)                       | 3 Months   | 3 Months                                 |
| \$53,750<br>Guaranty Fee                    | (\$53,750) | \$0<br>Guarantee Fee                     |
| \$22,204<br>Monthly Payment                 | (\$597)    | \$21,607<br>Monthly Payment              |
| \$22,204<br>Monthly Payment without Subsidy | (\$9,597)  | \$12,607<br>Monthly Payment with Subsidy |
| \$2,664,492<br>Total Payments               | (\$98,608) | \$2,565,884<br>Total Payments            |

## HOW AND WHEN TO APPLY

From temporary economic aid incentives to low interest rates, now is the time to consider an SBA loan for your business. SBA Loans approved between February 1, 2021 and September 30, 2021 will receive these benefits once the loan is fully disbursed, subject to the availability of funds. We understand that there are many details and confusing language around these loan's augmentations, so we're here to support you/ Pathfinder- USA's knowledge of debt financing and access to over 40 SBA and traditional loan institutions can help you determine the best loan structure to meet your needs.

To schedule a free initial consultation and learn more,

connect with us <https://www.pathfinder-usa.com> or call 1-877-332-0228

