



# SBA Express Bridge Loan Pilot Program (EBL)

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**Funder Organization:** Lenders authorized to issue U.S. Small Business Administration (SBA) Express guaranteed loans.

**Program URL:** <https://www.sba.gov/sites/default/files/2020-03/Express-Bridge-Loan-Pilot-Program-Guide-FINAL-3.25.20.pdf>

**Type of Fund:** Loan

**Target Audience or Geography:** Small Business Owner / Nationwide

**Estimated Time of Arrival for Public Rollout:** Currently available from some SBA Express Lenders

## Brief Program Description

This program modifies and eases traditional SBA 7(a) program lending criteria which in turn requires less paperwork from small business loan applicants. These modifications are limited to existing SBA Express lenders. Loans are capped at \$25,000 and borrowers are limited to one EBL loan per disaster declaration. The program ends on March 13, 2021 and EBL loans must be approved on or before this date, evidenced by issuance of an SBA loan number. Fees are limited to: (a) upfront SBA guaranty fee of 2%; (b) application fee of 2% or \$250, whichever is greater; (c) late payment fee not to exceed 5% of scheduled payment; and (d) reasonable direct costs of liquidation.

## Eligibility Requirements

SBA Express lenders may only make EBL loans to eligible small businesses with which the lender had an **existing** banking relationship on or before March 13, 2020, the date of the disaster declaration. Lenders that make EBL loans must follow their established and proven internal policies and procedures used for their similarly-sized, non-SBA guaranteed commercial loans. EBL applicants must meet all other SBA 7(a) loan eligibility requirements.

## Ineligibility Restrictions

The restrictions are the same as the traditional SBA 7(a) program and individual bank loan policies. The SBA cannot guarantee a 7(a) loan, including an EBL loan, to a small business with an associate who is:

- a) Incarcerated, on probation, on parole (an individual with a deferred prosecution is treated as if the individual is on probation or parole); or
  - b) Currently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction.
- The character evaluation process to determine eligibility begins with the applicant and associates answering the applicable questions on SBA Form 1919,

Unless waived by SBA for good cause, SBA cannot provide assistance to an EBL applicant if there is a Delinquent Federal Debt or if there has been a Prior Loss to the Government.

## Use of Funds

Funds must be used exclusively to support the survival and/or reopening of the small business. For the COVID-19 Emergency Declaration, EBL loan proceeds must be disbursed as working capital.

**Interest Rates:** Maximum of 6.5% over WSJ Prime.

**Loan Term:** EBL loans must be structured as term loans (non revolving), for a maximum repayment period of 7 years.

**Collateral Requirements:** Lenders are not required to take collateral for EBL loans.

**Loan Program Payment Deferment (if any):** None.

**Forgiveness Terms (if any):** None.

## Application Submittal Process

Determined by individual lending institution.

**Required Forms and Documentation:** Determined by individual lending institution. The lender's application material will vary from lender to lender with most asking for a loan application, personal financial statement, tax returns, and financial statements. Nevertheless, all lenders need to collect the following from applicants:

1. SBA Form 1919 – Borrower Information Form
2. IRS Form 4506-T – Request for IRS Transcript
3. SBA Form 912, if applicable (determined by responses on Form 1919)
4. SBA Form 601, if applicable (for construction costs exceeding \$10,000)

## Program Contact Information

For more information, contact your SBA Express business banker.

**Program Forms:** N/A, contact your business banker.

**Frequently Asked Questions:** N/A

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The Oregon SBDC Network is funded in part through a Cooperative Agreement with the U.S. Small Business Administration, the Oregon Business Development Department, and other private and public partners, with Lane Community College serving as the Network's lead host institution. Oregon SBDC services are extended to the public on a nondiscriminatory basis. Language services are available for limited English proficient individuals.

