

SBA 7a Community Advantage

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What is 7a Community Advantage

- Community Advantage (CA) is a pilot 7a loan program introduced by the Small Business Administration (SBA) in 2011 to meet the credit, and management and technical assistance needs, of **small businesses in underserved markets**. This pilot program is provided to mission-oriented lenders, primarily non-profit financial intermediaries (CDFI's and CDC's), that are focused on economic development in underserved markets!

What is 7a Community Advantage

- Organizations that participate in the CA Pilot Program are limited to:
 - SBA-Authorized Certified Development Companies (CDCs);
 - SBA-Authorized Microloan Program Intermediaries;
 - SBA-Authorized Intermediary Lending Pilot (ILP) Program Intermediaries; and
 - Non-federally regulated Community Development Financial Institutions (CDFIs) certified by the U.S. Treasury Department.
- Effective October 1, 2018, SBA placed a moratorium on accepting applications for new CA Lenders.

Eligibility Qualification for 7a Community Advantage:

- Business is physically located in a Low-to Moderate Income (LMI) Communities
- Businesses located in Empowerment Zones, Enterprise Communities, or HUB Zones.
- Veteran-owned business: Business must be owned and controlled 51% or more by veteran.
- Business where more than 50% of their full time workforce is low-income or resides in LMI census tracts.
- In Business/operation for no more than two years (startup).

Loan Program Details

- Interest rate: maximum of prime +6%
- Term: depending on purpose of loan and useful life of the collateral
- Loan Amount: From \$35,000 to \$250,000.
- No Revolving Lines of Credit.
- **Collateral is required**

Eligible Businesses:

- For profit operating company located in the United States in areas served by LiftFund
- Must be a legal business
- Start up businesses with less than two years of operations may be considered **if applicant possesses years of strong relevant experience, equity in the business, and an alternate source of income.**
- Business is located in an underserved market
- Speculative, Investment and Income Producing Real Estate **are not** eligible

LiftFund Community Advantage 7a Process

- Loan application's are submitted through LiftFund's normal process. Our loan application can be found at our website: **www.LiftFund.com**.
- All loan applications above \$50,000 will automatically be considered under the 7a Community Advantage program.

Process continued

- SBA 7a Community Advantage loans are underwritten following SBA 7a Small Loan guidelines for loans up to \$350,000.
- 60% of the lender's CA loans must be in underserved markets.

LiftFund 7A Community Advantage

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