



# SBA 7(a) Loan Product Guide

SmartBiz Bank offers SBA 7(a) loans for eligible small business owners who want to expand. Funds from these loans may be used in a multitude of ways to help a small business.

SBA 7(a) loans from \$50,000 – \$350,000<sup>1</sup> may be used for debt refinancing and working capital. You get great rates<sup>2</sup>, long repayment terms, and low monthly payments with SBA loans. With a typical 10-year loan term and no prepayment penalty, the monthly payment on these loans is extremely competitive.

In most cases, the only collateral required is a blanket lien on business assets and a personal guarantee. Businesses that qualify for an SBA loan are typically profitable, cash flow positive, and able to show that they can afford to make the monthly loan payments.














Arian J. Patterson  
Small business owner

“From day one, Zachary was transparent, knowledgeable, assessed my company quickly regarding being qualified for SBA loan, and provide clear and consistent communication regarding the process. I've already referred him to multiple business partners and I'll be a repeat customer as well.”

We've helped small business owners secure more SBA loans than any other platform

**#1 Facilitator In SBA 7(a) Loans < \$350k**

## SBA loan key requirements<sup>3</sup> from \$50,000 - \$350,000 include:

-  Minimum 3 years in business
-  U.S. based business owned 100% by U.S. citizens
-  Resident who is at least 21 years old
-  FICO of 680 or higher
-  Minimum annual revenue requirement of \$250,000
-  For loan amounts between \$50,000-\$150,000: Business Debt Service Coverage Ratio BDSCR = 1.1x (no Global Debt Service or GDSCR)
-  No outstanding tax liens
-  No bankruptcies or foreclosures in the past 3 years
-  For loan amounts greater than \$150,000: BDSCR: 1.1x and GDSCR: 1.0x
-  Current on government-related loans
-  No recent charge-offs or settlements

1. For discussion and general informational purposes only. All financing is subject to credit approval and determination of SBA eligibility by SmartBiz Bank. Additional collateral may be required.  
2. Loans offered by SmartBiz Bank, and through banks in the SmartBiz network, have a variable interest rate based on Prime and are subject to change.  
3. Subject to credit approval. Your loan amount will be determined based on many factors, including your credit and financial profile. Not all applicants will qualify for the full amount.

## What may a small business use funds on?

Eligible SBA 7(a) use of funds:

- General working capital
- Hiring employees
- Refinancing business debt
- Marketing
- Purchasing equipment

There are several common ineligible uses of proceeds for this program:

- Start-up financing
- House-flipping or real estate development
- Refinancing personal debt
- Construction or remodeling
- Business acquisition
- Floorplan financing
- Delinquent tax payment

## What industries are eligible?

From a hair salon to an online retailer to an accounting firm, there are many small businesses that are typically eligible for an SBA 7(a) loan.

While most industries are eligible, there are a few exceptions like gambling or real estate development.

Here is a list of ineligible businesses and industries:

- Agriculture or farming
- Lobbying activity or political activity
- Bail bonds
- Mining
- Private clubs
- Cannabis industry
- Mortgage servicing
- Real estate development
- Gambling
- Oil
- Wildcatting
- Religious teaching
- Lending oil exploration
- Residential buildings
- Life insurance
- Pawn shop or vape shops
- Nonresidential building construction
- Automobile dealers
- Apparel, piece goods, and notions merchant wholesalers
- Wholesale electronic markets and agents and brokers
- Trucking/Transportation

# Checklist for working capital loans: \$50,000 - \$350,000

## General eligibility

- 3 years in business (with corresponding tax returns)
- For-profit business
- Proceeds: working capital, debt refinance, equipment purchases<sup>1</sup>
- Minimum annual revenue requirement of \$250,000<sup>2</sup>
- Businesses must be 100% owned by U.S. citizens
- Individuals owning 20% or more of business cannot work for SBA
- The borrowing business must not have defaulted on any government-backed loans

## Credit (for all individuals owning 20% or more of business)

- Good personal credit - minimum personal credit of FICO 680+
- Business credit score (liquid credit) - as low as 170<sup>3</sup>
- Public records search for business owners
- No bankruptcy in past 3 years
- No foreclosure in past 3 years
- No open tax liens or outstanding judgments

## Cash flow (cash flow analysis is calculated using these documents)

- 2 years of business tax return
- 1 year of personal tax returns (most recent)
- YTD Interim Profit and Loss Statement (within 60 Days)<sup>4</sup>
- Business debt schedule
- 6 most recent business bank statements

## Barriers to fund (These are some items to watch out for that may have lengthened time to fund or render a business ineligible)

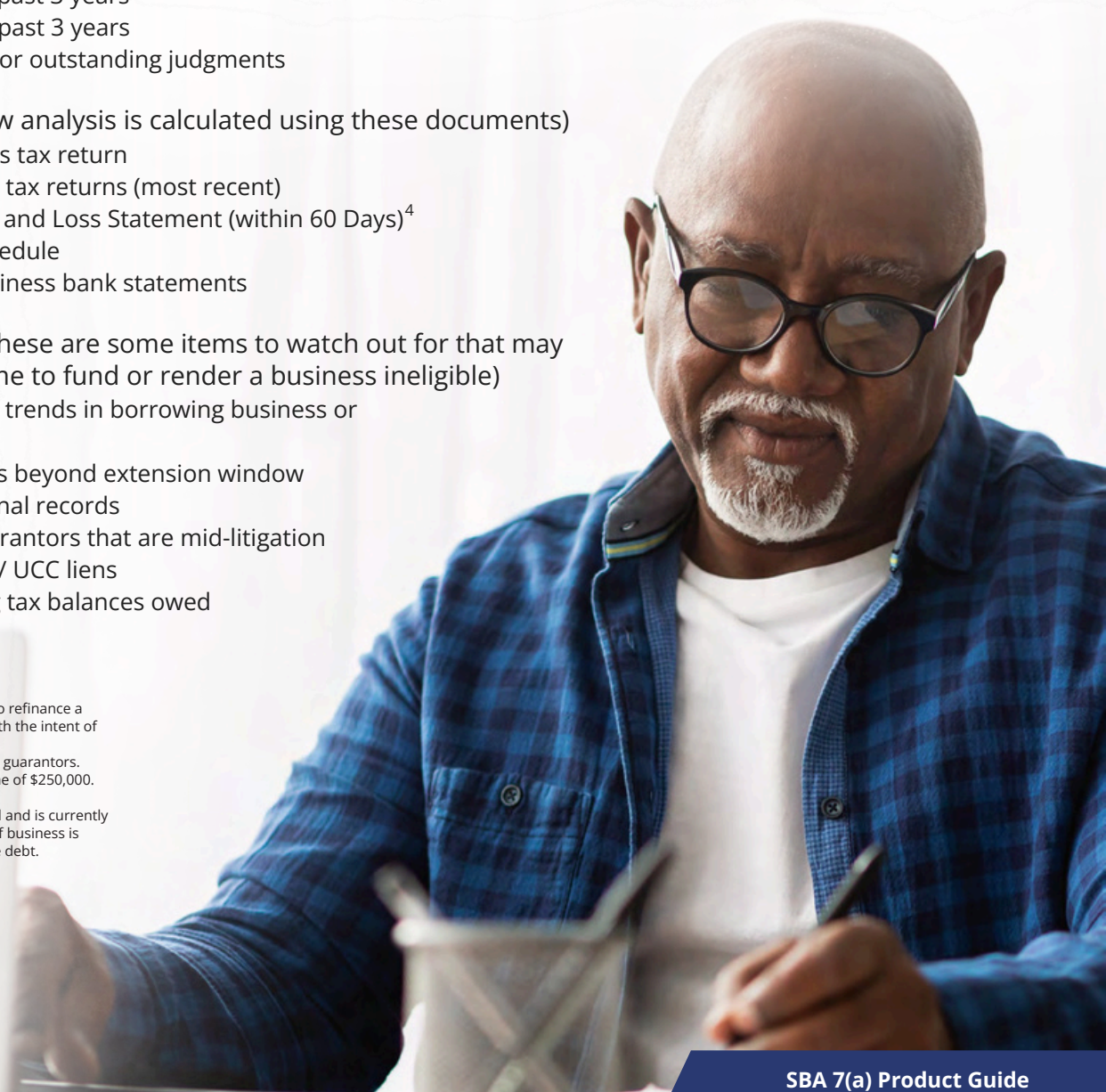
- Declining revenue trends in borrowing business or affiliates
- Unfiled tax returns beyond extension window
- Undisclosed criminal records
- Businesses or guarantors that are mid-litigation
- Undisclosed debt / UCC liens
- Large outstanding tax balances owed

1. Loan proceeds cannot be used to refinance a short-term obligation created with the intent of refinancing it with a 7(a) loan.

2. We calculate global cash flow for guarantors. Recommend gross annual income of \$250,000.

3. Industry dependent.

4. Only needed if business has filed and is currently on an extended tax deadline or if business is applying for funding to refinance debt.





## Tips and information on getting funded<sup>1</sup>

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### **How can SBA 7(a) loans help your clients?**

SBA 7(a) loans provide lower rates, longer repayment terms, and flexible use of proceeds, making them ideal for improving cash flow, consolidating debt, and supporting sustainable growth.

### **Have the last two to three years of tax returns available at the time of applying**

SmartBiz Bank will use these figures to run their cash flow analysis; in addition, an updated Profit and Loss Statement (dated within 60 days) if your business is on a tax extension.

### **Prepare what is planned for the loan loan proceeds**

A borrower who has specific ideas for their proceeds is usually more dedicated to the underwriting process, and these can also be vetted against SBA/lender eligibility requirements.

### **We're here to support partners and borrowers through the process**

SmartBiz Bank combines technology with hands-on support, offering a streamlined pre-qualification process and a dedicated team to guide both partners and borrowers through each step.

[www.smartbizbank.com](http://www.smartbizbank.com)

1. The SmartBiz® Small Business Blog and other related communications from SmartBiz Bank® are intended to provide general information on relevant topics for managing small businesses. Be aware that this is not a comprehensive analysis of the subject matter covered and is not intended to provide specific recommendations to you or your business with respect to the matters addressed. Please consult legal and financial professionals for further information. ©2026 SmartBiz Bank, N.A. SmartBiz, SmartBiz Loans, SBA Loans Made Easy, SmartBiz Advisor, along with the SmartBiz and SmartBiz Advisor logos are registered trademarks or service marks of SmartBiz Bank, N.A.. All rights reserved.