

## The Truth about SBA Loans

You're a business owner, ready to take the next steps and acquire another business, expand your existing business, purchase Commercial Real Estate, buy out a partner – something that will require financing on some level. It's time to explore the options; where do you start? SBA lending is a great first choice. Here are 5 reasons why:

1. Lower down payments. An SBA-backed loan usually means you'll have a smaller down payment, which means your business can retain more cash on hand to support day-to-day business operations.
2. Longer terms. Conventional bank loans tend to have shorter terms and may include balloon payments, meaning that you'll need to apply for another loan in a shorter amount of time. SBA loans are typically set for 10-25 years, depending on the loan product you choose.
3. No operating loan covenants. With an SBA loan, the loan cannot be called or put into default over a ratio on your financial statements – as long as your payments are current.
4. No banking requirements, at least here at FNB. In many cases when you're borrowing money, you are required to open a business checking account or personal account with the institution. With an SBA loan from our team, you're free to decide where you want to keep the rest of your money.
5. Many uses of proceeds in one loan. Typically in a business loan, there are multiple purposes for the funds – for example, a real estate purchase will require the land, the building, new equipment, working capital, etc. With an SBA loan, all of these needs can be rolled into one loan – streamlining the process and making it easier for you!

If you want more information on SBA lending products for your business, please give me a call today.

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