



SBA 7(a) vs TERM LOAN

Lending Options for Small Business Owners

What's the best product for your client?

Understand the different lending products that Smartbiz offers, so you can recommend the best option to support your client's growth.

We're proud to be the leading AI-powered financing platform connecting small businesses with SBA, bank term loans, and flexible financing options. One intuitive application quickly connects your clients with the right capital for their business. While there are a variety of options when it comes to a small business loan, SmartBiz simply outshines online lenders by providing reliable access to smart capital.



The SmartBiz Advantage



Underwriting

Offer transparent underwriting guidelines



Multiple Lenders

Offer lender options that allow for higher approval opportunities



Competitive Price

Offer competitive interest rates and origination fee structure



Repayment Terms

Focus fully on offering monthly repayment terms



Customer Service

Provide end-to-end client servicing for quick funding to small businesses

Loan Merits

SBA 7(a)

- ✓ Offers between \$30,000 to \$350,000 in loan funding
- ✓ 10 year term loan with monthly payments - prime + 2.75% (variable rate)
- ✓ Receive funding within one month
- ✓ No prepayment penalty

Term Loan

- ✓ Offers between \$30,000 to \$350,000 in loan funding
- ✓ Fixed interest rate - not susceptible to economic trends/interest rate changes
- ✓ 2, 3, or 5 year repayment options
- ✓ Receive funding within 1-2 weeks
- ✓ No prepayment penalty

Components & Requirements

SBA 7(a)

- ✓ Low monthly payment
- ✓ Currently a low interest rate
- ✓ Lower fees than our term loan product
- ✓ Detailed loan application process, requiring a dedicated, active client
- ✓ Requirements include: proof of insurance, business landlord documentation, tax transcript verification, etc.
- ✓ Stricter use of loan proceeds than the traditional term loan

Term Loan

- ✓ Minimum documentation required, but stricter parameters for cash flow and underwriting to qualify
- ✓ Leniency on Use of Proceeds (can be used for construction, remodeling, business acquisitions, partner buyouts, and tax refinancing)
- ✓ Typically higher monthly payments than an SBA Loan