SBA Express Line of Credit

Definition: This flexible and expedited line of credit loan program can be used to finance the short-term working capital needs of qualified and eligible businesses. The main advantages of this program include fast and simple applications, lower fees/costs, up to a 7 year approval (would be booked as in 1-yr. increments), limited monitoring requirements, and flexible lending structures. Loans may be approved under this program with little additional paperwork and they will close on standard Bank documents. SBA Express lines are limited to a cumulative $350,000 between all enrolled loans. TBoNM and TBoH both hold SBA's highest status for this product which allows for quick, in-house approval of most Express loan applications and servicing actions.

Size of Loan: Up to $350,000 cumulative between all Express programs

	Max. Approval in Yrs.
Purposes: Working capital	up to 7

Eligibility: These loans are targeted to for-profit businesses only. In order to qualify for SBA Express loans, a business must be considered "small" by SBA's definition. Currently, that definition is:

- Tangible net worth <=$15,000,000 AND avg. net income after tax of <=$5,000,000 OR
- NAICS-based size standard if it results in a higher number (i.e. <500 employees)

While most businesses are eligible, a small number of industries and loan purposes will not qualify.

Guaranty %: Up to 50% for all enrolled SBA Express loans

Interest Rates: Express lines will carry a variable interest rate. Variable rate loans will use Wall Street Journal Prime as their base rate and may adjust as frequently as daily. The spread over Prime is set by the originating market, however, maximums are P+4.5% if loan is > $50,000 and P+6.5% if loan is < = $50,000. Express loans may have a rate floor.

Equity: N/A

Collateral: The loan will be secured by a 1st lien position on a minimum of the current assets of the applicant business + personal guaranties of principals owning > = 20%. Guaranties of related businesses, key man life insurance, Lessor's Agreement, etc. may also be required. Additional collateral may be needed (but not required if similar conventional loans don't require it) if discounted collateral coverage is <100%.

Prepayment: Prepayments on SBA Express lines are allowed without penalty.

Fees: SBA charges fees on the guaranteed portion equal to 2% of the loan is < = $150,000 ; 3% on loans > $150,000 but < = $700,000; and 3.5% on loans > $700,000. If the line will be needed for a period of < 12 months, the SBA fee shall be only ¼% on the guaranteed portion. An ongoing servicing fee of .55% of the outstanding guaranteed balance is additionally charged to the Bank. The Bank may also charge for out-of-pocket costs in addition to a Package Preparation Fee.

Other: Monthly agings of accounts receivable and monthly listings of inventory are typically required. Business and personal financial statements and tax returns are typically required to be submitted to the Bank at least annually. A deposit relationship with us is also required. Other requirements and conditions may apply.

FDIC

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