

## SBA Patriot Express Line of Credit

Definition:	This flexible and expedited working capital line of credit program is intended for companies owned by veterans, active duty service members, active Reservists, and active National Guard members, or their spouses. The main advantages of this program include fast and simple applications, lower fees/costs, and flexible monitoring. Loans may be approved under this program with little additional paperwork and they will close on standard Bank documents. SBA Patriot Express loans are limited to a cumulative \$500,000 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 \$500,000 cumulative between all Express programs
Purposes:	Working capital
Eligibility:	<p>These loans are targeted to for-profit businesses owned at least 51% by veterans or other active military personnel or their spouses. In order to qualify for SBA Patriot Express loans, a business must be considered "small" by SBA's definition. Currently, that definition is:</p> <ul style="list-style-type: none"><li>• Tangible net worth <math>\leq</math> \$15,000,000 AND avg. net income after tax of <math>\leq</math> \$5,000,000 OR</li><li>• NAICS-based size standard if it results in a higher number (i.e. &lt;500 employees)</li></ul> <p>While most businesses are eligible, a small number of industries and loan purposes will not qualify. While most veteran-owned businesses are eligible, a small number will not qualify.</p>
Guaranty %:	Up to 85% for all enrolled Patriot Express loans with SBA relationships $\leq$ \$150,000 Up to 75% for all enrolled Patriot Express loans with SBA relationships $>$ \$150,000
Interest Rates:	Patriot Express lines will carry a variable interest rate. Variable rate loans will use Wall Street Journal Prime as their base rate and will typically adjust no more frequently than monthly. The spread over Prime is set by the originating market using available pricing models. Competitive interest rates will be provided, however, maximums are P+4.25% if loan is $\geq$ \$25,000, P+3.25% if loan is between \$25,000 and up to \$50,000, and P+2.25% if loan is $>$ = \$50,000.
Equity:	N/A
Collateral:	The loan will be secured by a 1st lien position on all assets financed or refinanced with SBA loan proceeds + personal guaranties of principals owning $\geq$ 20% of either the operating company or real estate holding entity (if loan purpose is real estate). Guaranties of related businesses, key man life insurance, Lessor's Agreement, etc. may also be required. Additional collateral may be required (if available with discounted equity) if discounted collateral coverage is $<$ 100%, especially on those loans exceeding \$350,000.
Prepayment:	Prepayments on SBA Patriot Express loans are allowed without penalty.
Fees:	SBA normally fees on the guaranteed portion equal to 2% if the loan is $\leq$ \$150,000 and 3% on loans $>$ \$150,000 but $\leq$ \$500,000. 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.



150 Central Avenue, Holland Michigan 49423  
877.393.2265 [www.tboh.com](http://www.tboh.com)

51 Ionia Avenue SW, Grand Rapids Michigan 49503  
866.854.0156 [www.tboh.com](http://www.tboh.com)

16930 Robbins Road, Ste120, Grand Haven Michigan 49417  
616.935.1020 [www.tboh.com](http://www.tboh.com)  
rev. 12/12

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