

SBA Loans

Start or expand your business.

We're investing in community.

We understand the invaluable contributions small businesses make by bringing growth and innovation to their communities. And as such, it's important that small business owners like you get the necessary financing. That's why MidSouth Bank proudly partners with the U.S. Small Business Administration (SBA) to offer you the financial support that conventional loans can't.

Benefits & Eligibility of SBA Loan Programs

SBA loan programs are backed by the federal government and provide a more flexible loan structure, more time to repay and lower down payments.

To be eligible for an SBA loan, you must:



BE A FOR-PROFIT BUSINESS

The business is officially registered and operates legally.



DO BUSINESS IN THE U.S.

The business is physically located and operates in the U.S. or its territories.



HAVE INVESTED EQUITY

The business owner has invested their own time or money into the business.



EXHAUST FINANCING OPTIONS

The business can't get credit at similar terms elsewhere.

SBA Loan Programs

We're proud to offer two SBA Loan options at MidSouth Bank. **7(a) Loans** are designed to expand capital for small businesses, and may be used for a variety of purchases including purchasing supplies, making improvements, acquiring or starting a business, and refinancing existing debt. **504 Loans** are a long-term, fixed-rate financing option that can be used to purchase or repair real estate, equipment, machinery or other assets.

Ready to apply for an SBA loan?

Please submit your loan request online at bankmidsouth.com/business-loans, or call us at 1-888-440-7774.

**MidSouth
Bank**

The friendliest
and most helpful
bank in town.

THE BANK BUILT FOR
BUSINESS

7(a) Loans

What is a 7(a) loan?

The 7(a) Loan Program, SBA's most common loan program, includes financial help for small businesses with special requirements. It can also be used for:

- Short- and long-term working capital
- Refinance current business debt
- Purchase furniture, fixtures, and supplies
- Purchase real estate

The maximum loan amount for a 7(a) loan is \$5 million. Key eligibility factors are based on what the business does to receive its income, its credit history, and where the business operates. Your lender will help you figure out which type of loan is best suited for your needs.

Am I eligible?

To be eligible 7(a) loan assistance, businesses must:

- Operate for profit
- Be considered a small business, as defined by SBA
- Be engaged in, or propose to do business in, the United States or its possessions
- Have reasonable invested equity
- Use alternative financial resources, including personal assets, before seeking financial assistance
- Be able to demonstrate a need for a loan
- Use the funds for a sound business purpose
- Not be delinquent on any existing debt obligations to the U.S. government

How do I use the 7(a) loan?

Basic uses for the 7(a) loan include:

- Long and short-term working capital
- Purchase inventory
- The purchase of equipment, machinery, furniture, fixtures, supplies, or materials
- The purchase of real estate, including land and buildings
- The construction of a new building or renovation of an existing building
- Establishing a new business or assisting in the acquisition, operation or expansion of an existing business
- Leasehold improvements

504 Loan Program

What is the 504 loan program?

The CDC/504 Loan Program provides long-term, fixed rate financing of up to \$5 million for major fixed assets that promote business growth and job creation. Specifically, 504 loans can be used for:

- Purchase real estate or construction needs
- Improvement or modernization of infrastructure
- Purchase eligible commercial equipment

504 loans are available through Certified Development Companies (CDCs), SBA's community-based partners who regulate non-profits and promote economic development within their communities. CDCs are certified and regulated by SBA.

Am I eligible?

To be eligible for a 504 Loan, your business must:

- Operate as a for-profit company in the United States or its possessions
- Have a tangible net worth of less than \$15 million
- Have an average net income of less than \$5 million after federal income taxes for the two years preceding your application

Other general eligibility standards include falling within SBA size guidelines, having qualified management expertise, a feasible business plan, good character and the ability to repay the loan.

Loans cannot be made to businesses engaged in nonprofit, passive, or speculative activities. For additional information on eligibility criteria and loan application requirements, borrowers are encouraged to contact their MidSouth Bank banker.

How do I use the 504 loan?

A 504 loan can be used for a range of assets that promote business growth and job creation. **These include the purchase or construction of:**

- Existing buildings or land
- New facilities
- Long-term machinery and equipment

Or the improvement or modernization of:

- Land, streets, utilities, parking lots and landscaping
- Existing facilities

A 504 loan cannot be used for:

- Working capital or inventory
- Consolidating, repaying or refinancing ineligible debt
- Speculation or investment in rental real estate