

FRANCHISE FINANCING

SBA 7a Loans and How to Apply

Looking to invest in a franchise business, but need a loan to help finance your new venture? Consider applying for the Small Business Administration (SBA) 7a loan.

① What Is It?

An SBA 7a Loan is program to help small businesses get financing at reasonable terms.

② Guarantees

The SBA Guarantees a portion of the loan instead of funds.

③ Requirements

- Good or excellent credit
- For-profit, US-based business in an eligible industry
- Business plan
- Revenue/profitability
- Acceptable debt service
- Collateral

④ Defaulting

If you default, the SBA pays off the guaranteed portion of the remaining loan balance.

⑤ Why an SBA 7a?

Some of the best loan terms that a small business owner.

6

\$5 Million

Cap for financing available



25 Years

Cap for total loan term

7

8

2.25%

+ Market Prime
Rate lowest
possible interest
rate available



3-10 Days

Typical loan
approval timeline

9

10

7 Types

Of SBA 7a
loans & lines of
credit



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