America's Recovery Capital Program

What is the ARC Program?

The America's Recovery Capital (ARC) loan program was created by the American Recovery and Reinvestment Act (ARRA) to

provide small businesses with temporary financial relief. Through the program, viable small businesses can receive no-interest loans up to $35,000, backed 100% by the Small Business Administration. Repayment does not begin for a full year and businesses will have up to 5 years to repay the loan.

How does it help me as a small business owner?

Small businesses will be able to use the proceeds of an ARC loan to pay virtually any existing debt. In this way, viable business concerns will be able to overcome temporary financial difficulties and keep their doors open. These loans allow entrepreneurs to fulfill their financial obligations and retain employees.

How do I know if I qualify for an ARC loan?

ARC loans are designed to help viable small businesses, which the SBA has defined as firms that have a demonstrated earnings history and a proven record of success, but need a little help to get through a short-term downturn.

The Basics of ARC

- Up to $35,000 in loans to make existing debt payments for 6 months.
- SBA backs loans 100% and subsidizes interest
- Businesses do not start repayment until 12 months from final loan disbursement

For more information on how the Small Business Administration can help entrepreneurs, contact an SBA office near you:

New York District Office
26 Federal Plaza, Suite 3100
New York, NY 10278
Phone: (212) 264-4354

Syracuse District Office
401 S. Salina St. 5th Floor
Syracuse, NY 13202
Phone: (315) 471-9393

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To learn about opportunities in the American Recovery and Reinvestment Act, please visit:

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Extending a Helping Hand to Your Small Business

Small Business Administration (SBA) Capital Lending Programs

504 Fixed Asset Financing Program

What is the 504 Program?

The 504 program, also called the Certified Development Company program, helps small businesses obtain the long-term financing needed to expand and grow. Typically, a 504 project involves a small business borrower, a financial institution and a Certified Development Company (CDC). The borrower is required to put down 10 percent to secure financing. Both the bank and the CDC must approve the loan.

How does it help me as a small business owner?

504 loans typically have 10 or 20 year maturities and can be used for fixed asset financing, such as purchasing land or buildings, a construction or renovation project, or purchasing long-term machinery and equipment. Under the American Recovery and Reinvestment Act (ARRA) small businesses that qualify for a 504 loan can use the proceeds to refinance certain existing loans by working with local CDCs.

How do I know if I qualify for a 504 loan?

In addition to operating for profit, a business applying for a 504 loan must meet certain eligibility requirements, including:

- have a net worth of $7.5 million or less
- for the preceding two years have an average net income of $2.5 million or less after taxes
- does not engage in investment or speculation

The Basics of 504

- Contributions made by private lender, CDC, and entrepreneurs to secure loan
- Used for fixed asset projects
- A maximum SBA debenture of $2 million under certain conditions

7(a) Loan Guaranty Program

What is the 7(a) Program?

Under the 7(a) Loan Guaranty Program, the SBA guarantees a portion of a loan made by a commercial lending institution. This helps qualified small businesses that might not otherwise be eligible for loans obtain the funds they need.

The Basics of 7(a)

- SBA guarantees portion of loan to small businesses
- Borrowers can receive up to $2 million in loans
- Funds can be used for most sound business practices

How does it help me as a small business owner?

With SBA's backing, borrowers can receive variable interest rate loans of up to $2 million and up to 10 or 25 years of maturity. 7(a) loans can be used for virtually any business purpose, including:

- purchasing land or buildings;
- acquiring equipment, machinery, furniture, fixtures, supplies, or materials;
- for use as working capital including the payment of accounts payable; or
- purchasing an existing business

Under the ARRA, the maximum amount of the SBA guaranty was increased to 90% of the amount of the loan. This will encourage more banks to make these loans and free-up money for small businesses.

How do I know if I qualify for a 7(a) loan?

Most small businesses qualify but must meet certain prerequisites including: the ability to repay loans based on cash flow; availability of collateral; a business's size based on the number of employees or sales; and alternative financing resources have been used.

Microloan Program

What is the Microloan Program?

The Microloan Program supplies start-up and very small businesses that have small-scale, short-term financing needs with loan assistance and training. This unique combination of assistance is invaluable to new entrepreneurs that are often unable to secure traditional commercial loans. Through the program, nonprofit community-based lenders make loans of up to $35,000 to businesses.

How does it help me as a small business owner?

Microloans can be used for many business expenditures including purchasing equipment, installing fixtures, or use as working capital - almost anything needed to start a business. In addition, microlenders provide borrowers with business-based training and technical assistance. Entrepreneurs benefit from the expertise of these nonprofit organizations, which provide more personalized advice than conventional lenders.

The Basics of Microloans

- Loans are made by intermediaries with SBA support
- Funds can be used for most business expenses
- Entrepreneurs receive continuous advice from lenders

How do I know if I qualify for a microloan?

Microlenders generally require some form of collateral and the personal guarantee of the entrepreneur. Intermediaries may require applicants to participate in training or go through a business planning process before an application is considered.