

FACT SHEET

7A GUARANTY PROGRAM

SEED POLICY ON FEES

OVERVIEW:

SEED Corporation will prepare SBA guaranty applications on behalf of banks and small businesses including: negotiations with the SBA; financial analysis; and technical assistance to the loan officer on SBA requirements and regulations. SEED's role is to obtain an SBA Authorization for the bank. The bank is responsible for closing the loan.

Prior to packaging an SBA 7A Guaranty application, SEED requires a copy of the bank's commitment letter to the client outlining the requirement of an SBA Guaranty.

SEED'S PACKAGING FEE:

SEED's packaging fee will be \$100 per hour with an average analysis/packaging transaction time of 20-40 hours (including time spent with the client and the bank). **A non-refundable deposit of \$750** will be paid to SEED Corporation at the time the Bank-Applicant gives SEED the loan documentation package. The balance of the fee will be due **prior to CDC submitting the Loan Package to the SBA for guaranty authorization.**

If SBA does not approve the application through no fault of the client, SEED will return the fee to the client, except for \$750.00, which will be retained by SEED.

SBA FEES:

In addition to SEED's packaging fee, SBA charges a guaranty fee on the guaranteed portion of the loan. This fee is paid by the bank and passed through to the client. SBA does not allow the bank to charge origination fees on 7A loans. The client, however, will be responsible for appraisals and closing costs associated with the loan.

Fee Schedule

1. If the total loan is \$150,000 or less, the guaranty fee will be two percent (2.0%) of the SBA guaranteed portion of the loan.
2. If the total loan is \$150,000 to \$700,000, the guaranty fee will be three percent (3.0%) of the SBA guaranteed portion of the loan.
3. If the total loan is \$700,000 to \$1,000,000, the guaranty fee will be three and one-half percent (3.5%) of the SBA guaranteed portion of the loan.
4. If the loan is \$1,000,001 to \$1,500,000, an additional 0.25 percent on any SBA guaranteed amount over \$1 million (a total of 3.75% on the SBA guaranteed portion over \$1 million) will be assessed.



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