



## Small Business Lending at Self-Help: Frequently Asked Questions

### **How do I apply for a loan?**

Interested borrowers should fill out a [non-binding, pre-application form on our website](#). From there, a member of the commercial lending team will reach out with next steps.

### **Does Self-Help lend to small business startups?**

Self-Help can lend to startup businesses under certain conditions. Generally, Self-Help is unable to lend to small businesses that are not already in operation.

For Self-Help, a startup business loan is one to a business that is:

- A new business or nonprofit,
- A business or nonprofit that has filed fewer than two years of tax returns, or
- A business or nonprofit that you plan to purchase, but do not currently manage.

We generally lend no more than \$50,000. The borrower needs a secondary source of income that would be able to cover their personal expenses and the new loan payment. We do not rely on the projected income of the business to cover this loan payment. We also need to have collateral and 30% owner's investment in the start-up business.

### **How large of a loan can Self-Help give me?**

Borrowers should know approximately how much they need and how much they can afford for a monthly payment before applying for a loan. If Self-Help is unable to lend as much as the borrower has requested, the loan officer will have a conversation with the borrower as to why. If a borrower isn't sure what size loan they need, we can connect them with FREE technical assistance with a business counselor to help them figure this out.

### **How long does it take to get approved for a loan?**

- For smaller loans under \$15k: Borrowers can apply for a personal loan through one of our [branches](#)—this approval process can take as little as a few days.
- For loans \$15k- \$MM: It can several weeks to several months for approval. The time it takes for a loan to be approved largely depends on how quickly the borrower can provide the requested information and how large/complex the project is.

**Is there anything I can't use a Self-Help loan for?**

Self-Help's commercial loans cannot be used to pay off personal debt or delinquent tax obligations. Loans also cannot be used for personal expenses.

**Does Self-Help offer SBA loans?**

We sure do! Self-Help is an approved SBA lender and participates in the SBA 7(a) and SBA 504 loan programs.

The SBA 7(a) loan program may be a good option for businesses that have cash flow to make loan payments, but lack sufficient collateral or operating history to obtain a loan. SBA 7(a) loans may be used for a variety of business purposes, and are typically secured by all available assets. The SBA 7(a) program offers the advantages of the SBA Community Advantage program that some other CDFIs offer, but SBA 7(a) loans generally have lower interest rates and no technical assistance requirements.

The SBA 504 loan program may be a good option for businesses that are financing the acquisition or improvement of major fixed assets, such as the building where your business operates, or durable machinery/equipment for your business. SBA 504 loans have low down payments and generally are secured only by the assets being financed. Unlike SBA 7(a) loans, under the SBA 504 loan program, you will finance a portion of your project (typically 50% of the total project costs) with a lender like Self-Help, and you will work with a local SBA 504 CDC to finance the SBA subordinate portion (up to 40% of the total project costs). If the SBA 504 loan program is the right solution for your business, we'll help connect you with a local 504 CDC as we work together to finance your project. You can also find local 504 CDCs on SBA's website at [SBA Find Local Assistance](#) by searching under "Certified Development Companies" in your zip code.

**My credit's not great. Would Self-Help still give me a loan?**

A healthy credit score is best, but Self-Help can consider lower scores. A borrower with a lower credit score may need to have a co-signer.

**Can I use my car/inventory as collateral for a loan?**

We typically want real estate as collateral to secure commercial loans. However, not everyone owns or has enough equity in their house. Sometimes we can use programs to help cover collateral gaps. Keep in mind that the larger the loan, the more collateral we will need. If you're not sure about collateral, just ask!

**I don't have any money to put down. Can I still get a loan from Self-Help?**

That depends on the size of the loan you are looking for and how old your business is. If you are an existing business, we can sometimes be more flexible with our equity requirements.

**Does Self-Help offer lines of credit?**

We do not currently offer lines of credit.

**Does Self-Help lend to nonprofits?**

We do! Please note: we will sometimes require a personal guaranty.

**I still have questions. Who can I speak with?**

Still have questions? [Visit our website](#) for a list of our industry specialists and business development officers. You can also email [businessloans@self-help.org](mailto:businessloans@self-help.org) or call 844.218.7083.