



Written By: Derek Worchel

How an SBA Express Line of Credit Helps Business Owners Manage the Unexpected

Running a business is a 24/7 job. From keeping clients happy to managing payroll and maintaining your business, unexpected expenses are bound to happen. That's why many business owners turn to the SBA Express Line of Credit—a flexible, government-backed financing option designed to provide quick access to cash when it's needed most.

What Is an SBA Express Line of Credit?

The SBA Express loan is part of the SBA's popular 7(a) program. It offers small businesses a revolving line of credit or term loan up to \$500,000, with the SBA guaranteeing up to 50% of the loan amount.

Key features include:

- Fast approval: SBA provides a response within 36 hours on the application is filed.
- Loan size: Up to \$500,000.
- Flexible repayment: Revolving credit lets you borrow, repay, and borrow again.
- Rate caps: Interest rates are tied to the prime rate, with SBA-imposed maximums.

Why Owners Benefit

Many businesses have unique cash-flow challenges, and an SBA Express line of credit can help in several critical ways:

1. Emergency Repairs – Quick access to cash ensures guest satisfaction isn't compromised.
2. Payroll Management – Cover payroll during seasonal slowdowns or unexpected dips in patronage.
3. Operational Flexibility – Funds can be used for inventory, marketing, upgrades, or upkeep.
4. Revolving Credit Advantage – Only pay interest on what you use, and re-borrow as needed.



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The Costs of an SBA Express Line of Credit

Example: \$500,000 SBA Express Line of Credit

- Loan amount: \$375,000
- Interest rate: 9% (Prime + 2.0%)
- SBA guarantee fee (2-3%): \$7,500 - \$11,250
- Broker fee (1.5%): \$5,625

Total upfront costs: \$13,000 - \$17,000

The Bottom Line

An SBA LOC helps all types of businesses perform cash-flow optimally. From medical practitioners, hotel owners, assisted living operators, manufacturing, and many other businesses, the SBA Express Line of Credit offers the perfect mix of speed, flexibility, and manageable costs. With up to \$500,000 available, fast approval, and the ability to tap into funds as needed, it's a valuable safety net for covering payroll, tackling repairs, and smoothing out seasonal cash flow challenges.



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MINIMUM QUALIFICATIONS FOR AN SBA EXPRESS LINE OF CREDIT



MINIMUM
700 CREDIT SCORE



MINIMUM
2 YEARS IN BUSINESS



MINIMUM NET
OPERATING INCOME
\$300,000



MINIMUM AMOUNT
OF LINE OF CREDIT
\$350,000