



U.S. Small Business
Administration

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What we will Cover

- SBA Loan Types
- SBA Eligibility
- SBA Lending in South FL & Florida
- SBA Rules Changes as of June 1st 2025

SBA Loan Types

- 7(a)
- 504
- Express LOC

7(a) Program

The most popular loan product is the flexible, SBA 7(a) Program. It can be used for a wide variety of financing needs:

- **Equipment**
- **Supplies**
- **Inventory**
- **Business Acquisitions**
- **Debt Consolidations**

Pros

- Higher loan to value ratios (Up to 90%)
- Lower cash flow requirements
- Longer repayment terms
- Longer amortizations
- No covenants

Cons

- Higher and variable interest rates
- Personal assets may need to be pledged
- Longer turn around times
- Limited to \$5 million

504 Loans

Characteristics

- Typically used for owner occupied commercial real estate and large equipment transactions.
- Equipment must have a long useful life
- Both fixed and variable rates are available.
- Loans terms may extend up to twenty-five years.
- Up to 90% loan to value

504 Loans

Underwritten in partnership with a Certified Development Company (CDC):

- **There are 4 in Florida**
- **They can preapprove a project without the need of a bank**
- **They handle selling the debenture that takes out the temporary bridge loan**

Capital plans that include two uses for capital (one real estate and the other equipment, acquisition, etc.) can sometimes combine the 504 with the 7(a) to access greater amounts of capital.

SBA Express Loan Program

What is the difference between SBA 7(a) Standard Loan Program
and SBA Express Loan Program?

Factors	SBA Express Loan Program	Standard 7(a) Loan Program
Maximum Loan Amount	\$500,000	\$5,000,000
Guaranty Percentage	50%	85% for loans under \$150,000 75% for loans greater than \$150,000
Required to lien primary residence	No	Yes ¹
Can be used for business acquisition	No	Yes
Can be interest only for up to 5 years	Yes	No
Can be used as revolving LOC	Yes	No

¹ If loan amount is greater than \$500,000 and equity in the real estate is > 25%

SBA Eligibility

Determining whether an Applicant is eligible for a loan guarantee is one of the most critical steps in the lending process. Program eligibility should be determined as early as possible in the application process and properly documented.

Must be located in the
United States

Must be a for-profit
business open to the
public

Borrower and its affiliates
must be a small business
concern as defined by the SBA

Demonstrate the need for
desired credit

Must have a sound business
purpose

Guarantors must be US
Citizens or Legal Permanent
Residents

Side-By-Side Comparison of SBA vs Conventional

Scenario:

- Borrower needs to finance a business acquisition. This assumes the borrower is expanding operations and acquiring a competitor and has historical cash flow to support the conventional loan.

SBA 7a Loan				Conventional Loan			
Owner equity	10%	\$	75,000	Owner equity	20%	\$	150,000
Loan	90%	\$	675,000	Loan	80%	\$	600,000
Total Project	100%	\$	750,000	Total Project	100%	\$	750,000
Loan amount		\$	675,000	Loan amount		\$	600,000
Interest rate			10.25%	Interest rate			7.00%
Term		\$	120	Term		\$	60
Amortization		\$	120	Amortization		\$	60
Up front fees				Up front fees			
Origination				Origination		\$	6,000
SBA Guarantee		\$	15,188	SBA Guarantee		\$	-
SBA Packaging Fee		\$	2,500	SBA Packaging Fee		\$	-
Underwriting				Underwriting		\$	2,000
Total Fees		\$	17,688	Total Fees		\$	8,000
Total Loan Amount		\$	692,688	Total Loan Amount		\$	608,000
Monthly Payment		\$	9,250	Monthly Payment		\$	12,039
First year cash outlay		\$	186,001			\$	294,470
Additional out of pocket cash outlay				\$ 108,469			

In FY 2024, South Florida District Office is #1 in the Nation for Guaranteed Loan Production for the Second year in a row.

	FY 2023 South FL District Office		FY 2024 South FL District Office	
SBA Programs	Loan #	\$ Amount	Loan #	\$ Amount
7(a)	3,440	\$1.56B	4,365	\$2.0B
504	399	\$456.2M	465	\$514.8M
Microloan	28	\$693,053	53	\$1,870,904
TOTAL	3,867	\$2.02B	4,883	\$2.56B

	FY 2023 Total Florida		FY 2024 Total Florida	
SBA Programs	Loan #	\$ Amount	Loan #	\$ Amount
7(a)	4,625	\$2.23B	5,899	\$2.83B
504	615	\$668.3M	660	\$719.6M
Microloan	42	\$1.14M	69	\$2.24M
TOTAL	5,282	\$2.9B	6,628	\$3.55B

In FY 2024, small business loans to Manufacturing companies in South Florida increased 19% in loan volume, as the District Office continued to lead loan growth to Manufacturing companies in Florida.

	FY 2023		FY 2024	
Loans to Manufacturing	Loan #	\$ Amount	Loan #	\$ Amount
South Florida DO	218	\$189,907,800	259	\$182,005,900
Total Florida	286	\$247,316,500	330	\$245,688,600
% Yr-Over-Yr Growth				
South Florida DO	24%	29%	19%	-4%
Total Florida	23%	32%	15%	-1%
% of Total Florida				
South Florida DO	76%	77%	78%	74%
Total Florida	100%	100%	100%	100%

South Florida continued to see strong growth in the smallest 7(a) loans backed by SBA, as we backed over 2,200 7(a) loans under \$150,000, for a total of \$174.9 million in FY 2024. Those totals reflect a more than doubling of these smallest-sized loans in volume and tripling in dollars since 2020, and an almost one-third increase over FY 2023 alone. The 7(a) loan size category of \$150,000-\$500,000 also saw solid growth, rising to 1,296 in FY 2024, a 21% increase over 2023. SBA microlending in South Florida complemented the results in guarantee programs, as all 53 microloans were for \$50,000 or less.

	FY 2023		FY 2024	
Loans < \$150K	Loan #	\$ Amount	Loan #	\$ Amount
South Florida DO	1,699	\$122,520,300	2,219	\$174,860,200
Total Florida	2,173	\$158,783,300	2,940	\$229,229,000
% Yr-Over-Yr Growth				
South Florida DO	58%	62%	31%	43%
Total Florida	58%	60%	35%	44%
% of Total Florida				
South Florida DO	78%	77%	75%	76%
Total Florida	100%	100%	100%	100%

FY-2024 FLORIDA Top 504 CDC Lenders by Number of Loans

Lender Name	\$ Approved	# Approved	Median
Florida Business Development Corporation	\$321,251,000	325	\$606,000
Florida First Capital Finance Corporation,	\$348,503,000	292	\$752,000
Sunshine State Economic Development Corpora	\$31,460,000	38	\$642,500
Independent Development Services Corporatio	\$11,988,000	3	\$4,943,000
Southland Economic Development Corporation	\$3,862,000	1	\$3,862,000
Small Business Growth Corporation	\$2,562,000	1	\$2,562,000
	\$719,626,000	660	
Year-over-Year Growth	8%	7%	

FY-2024 FLORIDA Top 504 3rd Party Lenders by Number of Loans

504 3rd Party Lender Name & Code	504 3rd Party \$ Total	LoanCount
First-Citizens Bank & Trust Company -	\$55,919,980	41
Bank Of America, National Association	\$50,236,945	29
Regions Bank - 2408	\$47,845,840	24
Valley National Bank - 45120	\$40,399,944	22
Jpmorgan Chase Bank, National Assoc	\$35,309,695	20
Seacoast National Bank - 17616	\$26,343,960	17
Harvest Commercial Capital, Llc - 525	\$18,729,412	16
Ocean Bank - 17414	\$12,764,050	16
City National Bank Of Florida - 17124	\$25,579,000	13
Truist Bank - 225134	\$22,173,700	13
Dfcu Financial - 99098	\$14,685,228	12
Td Bank, National Association - 29805	\$13,678,250	12
Barwick Banking Company - 19126	\$10,991,104	12
Newtek Bank, National Association - 4	\$24,400,800	11
Lake Michigan Cu - 98993	\$26,822,645	10
Td Bank, N.A. - 535547	\$16,857,268	10
Bankunitd, National Association - 464	\$15,199,950	10
Southstate Bank, National Association	\$14,810,949	10
Bayfirst National Bank - 123499	\$8,701,040	10
Hancock Whitney Bank - 39232	\$8,020,275	10
The Bank Of Tampa - 17715	\$4,301,700	10
Servisfirst Bank - 434138	\$25,888,438	8
Fairwinds Cu - 94528	\$5,140,400	8
Fifth Third Bank, National Association	\$10,177,377	7
Bank Five Nine - 76631	\$20,312,550	6
First Bank Of The Lake - 110352	\$16,828,000	6
BanESCO USA - 437582	\$14,842,618	6
Synovus Bank - 19248	\$9,890,525	6
Vystar Cu - 94425	\$5,997,300	6
Achieva Cu - 94636	\$5,318,945	6

Florida SBA Real Estate Loan Statistics

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
MiamiDade,Broward,PalmBeach counties-Real Estate - NAICS Code-53					
# Approved	12	33	33	58	51
\$ Approved	\$3,054,000	\$21,467,400	\$11,564,700	\$21,952,600	\$27,004,300
# Y-o-Y Growth	-52%	175%	0%	76%	-12%
\$ Y-o-Y Growth	-60%	603%	-46%	90%	23%
South Florida-Real Estate - NAICS Code-53					
# Approved	44	76	68	93	99
\$ Approved	\$24,659,500	\$55,072,100	\$35,439,200	\$43,591,500	\$64,216,900
# Y-o-Y Growth	-29%	73%	-11%	37%	6%
\$ Y-o-Y Growth	-13%	123%	-36%	23%	47%
FLORIDA-Real Estate - NAICS Code-53					
# Approved	74	116	96	131	139
\$ Approved	\$54,972,800	\$83,643,700	\$59,615,300	\$71,114,100	\$85,952,900
# Y-o-Y Growth	-11%	57%	-17%	36%	6%
\$ Y-o-Y Growth	-9%	52%	-29%	19%	21%

FY-2024 FL Top SBA RE Lenders by Number of Loans

	Lender Name	\$ Approved	# Approved	Median
1	Readycap Lending, LLC	\$3,489,500	19	\$50,000
2	TD Bank, National Association	\$825,000	15	\$35,000
3	JPMorgan Chase Bank, National	\$1,106,000	11	\$50,000
4	Newtek Bank, National Associat	\$5,614,000	9	\$350,000
5	Florida Business Development C	\$15,167,000	8	\$1,588,000
6	SouthState Bank, National Asso	\$1,850,000	8	\$255,000
7	United Midwest Savings Bank, N	\$1,315,000	8	\$150,000
8	BayFirst National Bank	\$1,074,500	8	\$150,000
9	Live Oak Banking Company	\$13,995,000	6	\$1,697,500
10	Florida First Capital Finance Cor	\$8,346,000	4	\$1,881,000
11	Whitney Bank	\$815,300	4	\$147,150
12	Northeast Bank	\$120,000	3	\$50,000
13	Stearns Bank National Associati	\$4,220,000	2	\$2,110,000
14	North State Bank	\$2,350,000	2	\$1,175,000
15	Bank Five Nine	\$2,347,000	2	\$1,173,500
16	Sunshine State Economic Develo	\$1,230,000	2	\$615,000
17	Bank Of America, National Asso	\$871,100	2	\$435,550
18	City National Bank Of Florida	\$500,000	2	\$250,000
19	Lendistry Sblc, Llc	\$361,400	2	\$180,700
20	Independent Development Servi	\$4,962,000	1	\$4,962,000

List of NAICS Codes for Real Estate and Rental and Leasing - Sector 53

About this NAICS Sector

NAICS code 53 encompasses the Real Estate and Rental and Leasing sector, which includes establishments that rent, lease, or otherwise allow the use of tangible or intangible assets, as well as those that manage, buy, sell, and appraise real estate for others. Excluded from this sector are companies that rent or lease equipment with operators and mortgage REITs that manage the financial portfolio assets of REITs.

SBA SOP 50 10 8

SOP 50 10 8 changes include:

1. Restoring a minimum 10% equity injection for startup loans and changes of ownership
2. Reinstatement of the SBA franchise directory
3. PLP lenders will no longer be able to submit loans GP
4. The small loan amount is lowered to \$350,000
5. Minimal acceptable SBSS score raised to 165 from 155
6. Merchant cash advances and factoring agreements are ineligible for debt refinance
7. The lender must certify U.S. citizenship verification
8. Individuals with a 2-year conditional Green Card are ineligible
9. If hazard insurance is not available for collateral greater than \$50,000, the loan is ineligible
10. Revising what counts as equity injection
12. Requiring collateral on all SBA loans
13. Multi-step partial changes of ownership are no longer eligible

SBA SOP 50 10 8

SOP 50 10 8 - 7(a) Small Loans

Maximum 7(a) Small loan amount lowered to \$350,000

Minimum acceptable SBSS score raised to 165 from 155

Applications with acceptable score: Must complete a nominal credit memo

Applications with an unacceptable score: Must be treated as a Standard 7(a) loan (underwriting, collateral, etc.)

SOP 50 10 8 - SBA Franchise Directory

The SBA Franchise Directory is being reinstated as of June 1, 2025

- Temporary procedures are detailed in the Information Notice on the issuance of the SOP (Information Notice 5000-866746)
- Temporary procedures in effect through July 31: SBA Lenders must use addendum indicated in the Directory (if applicable)
- Franchisors and Distributors will have until July 31, 2025 to sign a [Franchisor](#) or [Distributor](#) Certification
- On Aug. 1, any franchisor or distributor who has not signed a new certification will be removed from the Directory

SOP 50 10 8 - Other

Restoring requirement for 10% equity injection for any loan of any size to a start-up business and for complete changes of ownership

Revising what counts as equity injection

Requires collateral for all loans

Working capital greater than 50% of proceeds – Lender explanation

Merchant cash advances and factoring agreements are not eligible for refinancing

Multi-step partial changes of ownership are not eligible (owners should first do the partial change of ownership with a loan and then, with SBA and Lender's permission, do the reorg)

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