

Dear Client:

If your small business is stressed meeting expenses during these economic times, the U.S. Small Business Administration has a new loan program designed just for you.

SBA's America's Recovery Capital Loan Program can provide up to \$35,000 in short-term relief for viable small businesses facing immediate financial hardship to help ride out the current uncertain economic times and return to profitability. Each small business is limited to one ARC loan.

ARC loans will be offered by some SBA lenders for as long as funding is available or until September 30, 2010, whichever comes first.

<http://www.sba.gov/recovery/arcloanprogram/index.html>

### **About the ARC Loan Program**

ARC loans can be used to make payments of principal and interest, in full or in part, on one or more existing, qualifying small business loans for up to six months. ARC loans provide an immediate infusion of capital to small businesses to assist with making payments of principal and interest on existing debt. These loans allow borrowers to redirect cash flow from making loan payments to investing in their businesses, to help sustain the business and retain jobs. For example, making loan payments on existing loans with proceeds from an ARC loan can allow a business to focus more funds on core operations, such as buying inventory or making payroll.

ARC loans are interest-free to the borrower, carry a 100 percent guaranty from the SBA to the lender, and require no fees paid to SBA. Loan proceeds are provided over a six-month period and repayment of the ARC loan principal is deferred for 12 months after the last disbursement of the proceeds. Repayment can extend up to five years.

The best candidates for ARC loans are small businesses that in the past were profitable but are currently struggling, yet have been making loan payments or are just beginning to miss loan payments due to financial hardship. [FAQs for Lenders and Borrowers](#).

ARC loans are made by commercial lenders who are SBA participants. **The SBA will pay these banks a monthly interest rate throughout the term of the loan.** [Lenders can find more information here](#). Non-SBA lenders can easily become SBA participants by working with their nearest SBA district office. Businesses interested in applying for an ARC loan should first contact their current lender.

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Hamilton Accountancy Corporation  
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