



# How Can Funds from an SBA Express Loan Be Used?

The SBA enforces limitations on how a business owner can use the funds provided. The funds must be used in accordance with the [guidelines for SBA 7\(a\) loan usage](#). That said, SBA loans are well known to cover a wide variety of central business activities, making them an invaluable resource for any small business.

## Acceptable uses for SBA Express Loan proceeds

- Providing long-term working capital  
*Accounts payable, purchasing inventory, and other operational expenses*
- Providing short-term working capital  
*Seasonal financing, contract performance, construction financing, and/or export*
- Purchasing real estate
- Purchasing equipment, furniture, machinery, supplies, and materials
- Covering construction and/or renovation costs
- Establishing or acquiring a new business, or expanding an existing business
- Refinancing existing business debt (so long as the lender and ultimately the SBA are not in a position to sustain a loss through refinancing)

## What loan proceeds cannot be used for

- Reimbursing an owner for any previous personal investments toward the business
- Repaying any delinquent withholding taxes
- Affecting any change or change of business ownership that will not have a positive effect on the business
- Any purpose not deemed a “sound business purpose,” as determined by the SBA