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

*Information presented here is subject to change due to the fluid nature of this crisis. For live updates, please visit dentalbilling.com.*