

PROGRAM: SBA Defense Loan and Technical Assistance Program (Delta)

AGENCY: Small Business Administration (SBA)

DESCRIPTION: The Delta program provides financial and technical assistance to defense dependent small businesses adversely affected by defense reductions. The goal of the program is to assist businesses to diversify in the commercial market while remaining part of the defense industrial base.

ELIGIBILITY CRITERIA:

- Businesses must have:
 - Derived at least 25% of total business revenues in any one of five prior fiscal years from DOD contracts, defense-related contracts with the Department of Energy or sub-contracts in defense-related prime contracts,
 - Been adversely impacted by a reduction in defense spending or be located in an adversely impacted community, and
- Businesses must meet one of the following public policy objectives:
 - Retain jobs of defense workers if the firm has been adversely affected, or
 - Create new employment in impacted communities, or
 - Modernize or expand the applicant's facility so it can diversify its operation while remaining in the national technical and industrial base.

PROGRAM/LOAN STRUCTURE:

- Maximum Program Benefits: Gross loan amount cannot exceed \$2 million.
- Maturities are normally seven years for working capital and up to 25 years for real estate.
- For rates and fees, see SBA's Loan Guarantee program.

QUALIFICATION CRITERIA/COMMENTS:

- The SBA defines a small business as follows:
 - Manufacturing - Maximum number of employees may range from 500 to 1,500,
 - Wholesale - Maximum number of employees may not exceed 100,
 - Retail/Service - Average annual receipts may not exceed \$6 million to \$29 million, and
 - Construction - Average annual receipts may not exceed \$12 million to \$28.5 million.
- For more on the defense loan program, visit <http://www.sba.gov/financing/loanprog/military.html> or visit the SBA homepage at http://www.sba.gov/starting_business/index.html .