

Finance a Business Acquisition with an SBA International Trade Loan (“ITL”)

Are you a U.S. exporter considering the acquisition of another business? Perhaps an acquisition can help address the on-going supply chain disruptions, diversify the product portfolio or gain access to new international markets. If the answer is yes, then your business should consider an International Trade Loan (“ITL”) as business acquisitions are now an eligible use of proceeds. The business must establish that the loan proceeds will improve the competitive position of the business and help to increase export sales or expand/develop new export markets.

If acquisition financing is a challenge due to a lack of tangible collateral to secure the loan, then ITL’s **90% guaranty** can be beneficial to your lender. An ITL can be used to finance loans up to \$5 million and follows the general rules set forth for 7(a) loans for acquisition financing, in addition to requiring that the transaction includes the purchase of capital assets and/or the facility. The acquisition must be a third-party sale; intra-owner sales/ transfers are not eligible.

SBA’s Export Finance Manager for New England, Joe Raycraft, is available to assist businesses and lenders to evaluate opportunities, determine eligibility and discuss relevant loan options. Please contact Joe at joseph.raycraft@sba.gov or 860.573.9150 to start the discussion of how ITL and SBA’s other export programs can support your business.