

# ARC Loans Now Available for Small Business

WASHINGTON – Starting June 15, SBA began accepting loans for a temporary new program called America's Recovery Capital. "ARC" loans of up to \$35,000 are designed to provide a "bridge" for viable small businesses with immediate financial hardship – to keep their doors open until they get back on track.

"These ARC loans are another tool in the SBA toolkit which will provide critical support to small businesses struggling to make it through these tough economic times," said Administrator Karen G. Mills.

ARC loans are deferred-payment loans of up to \$35,000, available to established, viable, for-profit small businesses that need short-term help to make their principal and interest payments on existing and qualifying business debt. ARC loans are 100 percent guaranteed by the SBA and have no SBA fees associated with them.

ARC loans will be disbursed over a period of up to six months and will provide funds to be used for payments of principal and interest for existing, qualifying small business debt including mortgages, term and revolving lines of credit, capital leases, credit card obligations and notes payable to vendors, suppliers and utilities. SBA will pay the interest on ARC loans to the lenders at the variable rate of Prime plus two percent.

Repayment will not begin until 12 months after the final disbursement. After the 12-month deferral period, borrowers will pay back the loan principal over a period of five years.

ARC loans will be made by commercial lenders, not SBA directly. For more information on ARC loans, visit [www.sba.gov](http://www.sba.gov)

For more information about all of the SBA's programs for small businesses, call the SBA Answer Desk at 1-800 U ASK SBA or TDD 704-344-6640, or visit the SBA's Web site at <http://www.sba.gov>.