

Virginia Small Business Resource Guide

Federal Financing Programs

Small Business Administration (SBA)

- **7(a) Loan Guaranty Program** – This program provides a guarantee to an approved SBA lender who is providing financing for a small business. It is the SBA’s most popular program.
 - Maximum loan amount of \$5,000,000 to fund startup costs, purchase equipment and other working capital needs
 - Flexible terms depending on the type of loan
 - Interest rate determined by lender
- **CDC/504 Loan Program** – This program provides financing for major fixed assets such as real estate or equipment, and the project must meet job creation or community development goals.
 - Maximum loan amount of \$5,000,000 or \$5,500,000, depending on business type
 - Terms of 10 and 20 years are available, depending on loan use
 - Interest rates are pegged to an increment above the current market rate for 5-year and 10-year U.S. Treasury issues
- **Microloan Program** – This program provides funds to specially designated intermediary lenders with experience in lending as well as management and technical assistance, who in turn administer the program for eligible borrowers.
 - Maximum loan amount of \$50,000, with the average loan amount of \$13,000
 - Terms vary depending on use of funds and requirements determined by the intermediary lender
 - Interest rates vary, but typically are between 8% and 13%.

For more information on these programs, contact:

SBA Virginia District Office

400 North 8th Street, Suite 1150
Richmond, VA 23219
(804) 771-2400

Also, you may use SBA’s lender matching tool to find approved SBA lenders in Virginia. This tool can be found at: <https://www.sba.gov/funding-programs/loans/lender-match>

United States Department of Agriculture (USDA)

- **Business & Industry Loan Guarantees** – This program bolsters the availability of private credit by guaranteeing loans for rural businesses. The project must be located in a town or city with smaller than 50,000 in population to qualify for this program.
 - Maximum loan guarantee of 80% for loans of \$5 million or less, lower percentages for larger loans
 - Maximum term of 30 years for real estate, 15 years on machinery & equipment, and seven years for working capital

- **Intermediary Relending Program** – This program provides loans to local intermediaries that re-lend to businesses to improve economic conditions and create jobs in rural communities.
 - Maximum loan of \$250,000 to borrower, or up to 75% of the total cost of the project
 - Funds can be used for real estate, equipment, working capital; rates, terms, and payment structure are set by the intermediary

For more information about this program, contact:

USDA State Office

1606 Santa Rosa Road, Suite 238

Richmond, VA 23229

(804)287-7139

www.rd.usda.gov/va

State Financing Programs

Virginia Small Business Financing Authority (VSBFA)

- **Cash Collateral Program** – Credit risk reduction program that provides collateral coverage for companies that have collateral that is insufficient for the bank’s normal underwriting standards.
 - Maximum of 40% of the loan amount, up to \$500,000.
 - Term of up to five years
 - Interest rate is set by the lender
- **Economic Development Loan Fund** – Fills the gap between private debt financing and private equity.
 - Maximum of 40% of project costs, up to \$1,000,000 in economically distressed areas of the state, up to \$500,000 in other areas of the state
 - Term of up to 10 years
 - Interest rate is tied to “like-treasuries”, with a spread based on bank risk
- **Loan Guaranty Program** – Reduces the bank’s credit risk and helps a business qualify for financing that would not otherwise be available.
 - Maximum guaranty of \$750,000 or 75% of the loan amount, whichever is less
 - Term of guarantees up to five years on lines of credit, up to seven years on term loans
 - Guarantee fees on loans over \$150,000
- **Small Business Investment Grant** – Assists Virginia small businesses seeking to raise equity to capitalize their growth.
 - Maximum grant of 50% of the qualified investment or \$50,000 that is made to one or more small businesses, not to exceed \$250,000 per eligible investor
- **SSBCI Capital Access Program (CAP)** – Provides access to capital for Virginia businesses by helping banks in Virginia to make loans to businesses that may have difficulty obtaining a conventional loan without credit enhancement. This is done through the establishment of a loan loss reserve fund at a participating bank.

- The maximum, aggregate outstanding loan amount(s) which may be enrolled for any single borrower, or any common enterprise in which the borrower has an ownership interest, is \$500,000
- Maximum term of the loan enrolled under CAP is 10 years from date of enrollment
- **[SWaM Business Microloan Fund](#)** – Assists existing small businesses (in business two years or more) with short-term loans, to be coupled with technical assistance provided by a Virginia SBDC.
 - Maximum loan amount of \$10,000; however, special consideration will be given to increase the loan amount to \$25,000 if the business has a referral from a Virginia SBDC
 - Maximum term of 48 months
 - Interest rate determined by VSBFA, not to exceed Prime rate plus 3%

For more information about these programs, contact the VSBFA at:

Virginia Small Business Financing Authority

101 North 14th Street, 11th Floor

Richmond, VA 23219

(804) 371-8254

vsbfa@sbsd.virginia.gov

<https://www.sbsd.virginia.gov/virginia-small-business-financing-authority/>

Virginia Community Capital (VCC)

- **[Resilient Community Loan Fund](#)** – This program provides financing to projects located in communities served by the Virginia Department of Housing and Community Development. This fund provides critical growth financing and technical assistance for small businesses in these communities across Virginia.
 - Loan amounts of \$50,000 to \$1,000,000
 - Terms vary depending on the type of asset financed and determined by VCC
 - Interest rates will vary

For more information about this program, contact:

Virginia Community Capital

7814 Carousel Lane, Suite 100

Richmond, VA 23294

(804)344-5484

<https://www.vacommunitycapital.org/>

Virginia Tourism Corporation (VTC)

- **[Tourism Development Financing Program \(TDFP\)](#)** – This is a two-tiered financing program for qualified tourism development projects in Virginia that have been identified as filling a void in a community’s tourism industry development plan.
 - Tier 1 Projects (less than \$100 million) – TDFP compensates for a shortfall in project funding, not to exceed 30% of a qualified project’s total cost.
 - Once the project is completed and generating income, a quarterly review of state sales and use taxes will be done and 1% of that quarterly revenue is

- contributed by each partner towards debt service on the project until debt services is paid
 - Developer owns all debt, while the locality and state only contribute to debt service
 - Tier 2 Projects (over \$100 million) – TDFP compensates for a shortfall in project funding, not to exceed 20 of a qualified project’s total cost.
 - For larger scale projects of regional significance, excluding major retail
 - Once the project is completed and generating income, a quarterly review of state sales and use taxes will be done and 1.5% of that quarterly revenue is contributed by each partner towards debt service on the project until debt services is paid
 - Developer owns all debt, while the locality and state only contribute to debt service

For more information about these programs, contact VTC at:

Virginia Tourism Corporation

900 East Cary Street, Suite 900
 Richmond, VA 23219
 (804) 545-5600
wconfroy@virginia.org
<https://www.vatc.org/tdfp/>

Virginia Housing Development Authority (VHDA)

- **Workforce Housing, Mixed-Use/Mixed Income** – This program helps finance mixed-use projects located in a designated revitalization area due to blight or deterioration.
 - The program requires that a percentage of units be reserved for residents whose annual income does not exceed certain limits. The rest of the units may be rented to residents at any income level. There are several options available for the income limits, and the developer can choose the financing that best fits the community’s needs.

For more information on this program, contact VHDA at:

Virginia Housing Development Authority

601 South Belvidere Street
 Richmond, VA 23220
 (804) 782-1986
keith.sherrill@vhda.com
www.vhda.com

Other State Programs

Department of Housing and Community Development (DHCD)

- **Community Business Launch (CBL)** – This program is designed to assist communities take a systems approach to defining an asset-based small business development strategy. It starts with a

community's unique vision for its future and then uses a local business training and competition to find and foster the entrepreneurs that connect with that vision. CBL provides the tools to effectively prepare multiple entrepreneurs to operate successful businesses in a downtown or neighborhood commercial district, and allows them to compete for funding to start their new endeavor.

For more information on this program, contact:

Jessica Hupp, CBL Coordinator
VA Department of Housing and Community Development
600 East Main Street, Suite 300
Richmond, VA 23219
Jessica.hupp@dhcd.virginia.gov
(804)371-7121

- **[GO Virginia](#)** – GO Virginia provides incentives that are matched with local, federal, and private funds to encourage collaboration at the regional level to grow and diversify each region, and ultimately the entire Commonwealth of Virginia. GO Virginia gives the Commonwealth an opportunity to build upon the new Virginia economy.

The GO Virginia Board is the state-wide oversight group for the GO Virginia initiative, and there are nine Regional Councils that work on a regional level to develop strategies to grow the region's economy. The Regional Councils submit recommended projects to the GO Virginia Board for approval and funding.

For more information on this program, contact:

Jordan Snelling
VA Department of Housing and Community Development
600 East Main Street, Suite 300
Richmond, VA 23219
Jordan.snelling@dhcd.virginia.gov
(804)371-7029

- **[Opportunity Zones](#)** – The Federal Tax Cuts and Jobs Act of 2017 included provisions for a new revitalization tool. Opportunity Zones and Funds will allow investors to receive tax benefits on currently unrealized capital gains by investing those gains in qualified census tracts (Opportunity Zones). There are 212 designated zones in Virginia, and they can be found on [this interactive map](#).

The rules associated with qualification for Opportunity Investment Funds and Qualified Opportunity Investments are posted for review [here](#), and must be approved before they are formalized.

For more information on this program, contact:

Kristen Dahlman
VA Department of Housing and Community Development
600 East Main Street, Suite 300
Richmond, VA 23219
Kristen.dahlman@dhcd.virginia.gov
(804)371-7017

Small Business Development Assistance

Small Business Development Centers

The Virginia SBDC Network is the largest provider of customized counseling and education for small businesses in Virginia. Businesses can meet in private with a certified business analyst, or attend small group trainings for in-depth presentations on critical management topics.

Business management counseling is the premier offering of the SBDC Network. Whether one is thinking of starting a new business, or a current business wishes to grow, they may tap into a variety of expertise, including:

- Strategic and business planning
- Marketing
- Access to capital
- Financial analysis
- Accounting and recordkeeping
- Operations
- International trade
- Manufacturing
- Government procurement

All SBDC professional counselors have extensive business experience, and may have also owned their own business. In addition, private sector professionals are available to counsel clients, and confidentiality and privacy are ensured.

In addition, the SBDC Network provides special programs for particular population segments. These programs are run out of the State Office with the participation and support of the local offices. These special programs include:

- Veterans Assistance
- Retailers and Restaurateurs
- International Trade Initiative
- Innovations/Commercialization

There are more than 25 SBDC locations across Virginia, and these locations can be found at www.virginiasbdc.org/locations/

SCORE (Service Corps of Retired Executives)

SCORE is a nationwide network of over 300 locations and 10,000 volunteers that provide mentorship and training initiatives to help entrepreneurs and small business owners. All of the volunteer mentors are experienced and work with clients to address issues and best practices related to starting and growing a business. These services are free, and can include face-to-face mentoring sessions, as well as email and video mentoring sessions.

SCORE is a non-profit partner of the U.S. Small Business Administration (SBA), and their mentors are experienced in all stages of business development, whether you are thinking of starting a business or growing your existing company.

There are several SCORE chapters located throughout Virginia. You can search for a mentor in your local area, or by area of expertise at www.score.org/content/find-mentor

College/University Entrepreneurship Programs

Strome Entrepreneurial Center (Old Dominion University)

The Strome Entrepreneurial Center is a key campus resource and collaborator for all ODU students, faculty, staff, and alumni to support entrepreneurship and innovation. The Strome Center educates about entrepreneurship as a career path and offers individual advising/mentoring for those wanting to start a venture, or who already have a business. They partner with all Colleges across the campus, since ideas can be generated from every place.

The Center offers speakers, workshops, contests, and meet-ups every week during the semesters. They also offer individual advising/mentoring sessions for those interested in starting a venture, or in growing an existing one. There are also opportunities for internships and Student Shared Working Space for new companies on campus.

In addition, they can help to connect you with other resources in the community which you may need for your venture, such as programming, marketing, legal assistance, and other start-up activities. For more information about the Strome Center, contact ent@odu.edu

EagleWorks Business Incubation Center (University of Mary Washington)

The University of Mary Washington's Center for Economic Development offers an incubation program that extends business development services to local startup and early-stage companies looking to grow their enterprises. Our incubation programming supports entrepreneurs through our access to professional networks, office facilities, consulting services, peer engagement opportunities, and other business resources.

WORK: Improve your business' productivity by working in a professional full-service office.

MEET: Share ideas with other business owners in the incubator, meet with clients in the conference room and take advantage of the professional networks associated with the UMW Center for Economic Development

GROW: Get professional advice from business consultants, entrepreneur mentors, and attend training courses, workshops, roundtables, and more.

EagleWorks meets the unique start-up or growth needs of each business through flexible client plans.

If you're not quite ready to move out of the house but you're looking for meeting space, business development services, and a business address, EagleWorks offers virtual services that include:

- Business address and mailbox
- Conference room rental
- Access to UMW interns
- One-on-one consulting

- Research databases and reports
- Training workshops and seminars
- Printing, scanning, copies, fax
- Teleconference calling

For more information about the programs at UMW, email eagleworks@umw.edu.

Batten Institute for Entrepreneurship & Innovation (University of Virginia)

The Batten Institute encompasses a world-class research center, focused on academic scholarship, as well as Darden's Center for Entrepreneurial Leadership and the i.Lab at the University of Virginia, focused on the growth of the local entrepreneurial ecosystem.

The i.Lab facility has the mission of supporting entrepreneurs and innovators both on and beyond the campus of UVA. The i.Lab provides programs, funding, workspace, mentors, community, and additional resources to support new entrepreneurs and accelerate new ventures.

The i.Lab supports entrepreneurs regardless of their affiliation with UVA. The result is a diverse community of founders, funders, and innovators that includes individuals and organizations both with and without a direct link to the University. For more information about the i.Lab, email info@ilab.virginia.edu.

Mason Enterprise Center (George Mason University)

The Mason Enterprise Center is an economic development enterprise that specializes in small business services, government contracting, international business, entrepreneurship, technology ventures, and telework initiatives.

The Center offers a unique combination of programs, services, and resources that include: business counseling, seminars, publications, sponsored research programs, and information services. The Center has four business incubator locations throughout the Greater Washington Metropolitan Region.

The Center provides business owners throughout the region with access to faculty, students, alumni, researchers, information sources, inventions, and other resources required to help them expand their business, improve their organization, and strengthen the regional economy.

For more information about the Mason Enterprise Center, visit www.masonenterprisecenter.org.

The Nest (UVA-Wise)

The Nest has been created to promote and encourage entrepreneurship within the University and community. The Nest will provide students and community members with resources and contacts for starting a business, resulting in new businesses and additional job creation in the region. It will also provide entrepreneurs with a space to work on projects, have discussions with their team, and serve as a place to meet with potential clients.

The Nest will host workshops and lectures related to professional development, website building, marking your brand, design, and social media campaigning, and provide students and community

members with mentorship and a network of individuals who are like-minded and career driven, as well as the experience and skills needed to be successful in running a business.

This facility will create a cluster of activity in the Town of Wise, drawing students and entrepreneurs to the community. Ultimately, the Nest will serve as a pilot project for coordinated incubation by creating a pipeline of Nest graduates to regional incubators. The Nest is a gathering space for UVa-Wise students and would attract students to the College and give graduates, as well as local residents, an incentive to stay in the region and launch their business in Southwest Virginia.

For more information about the UVa-Wise Nest, visit www.thenestswva.com .