



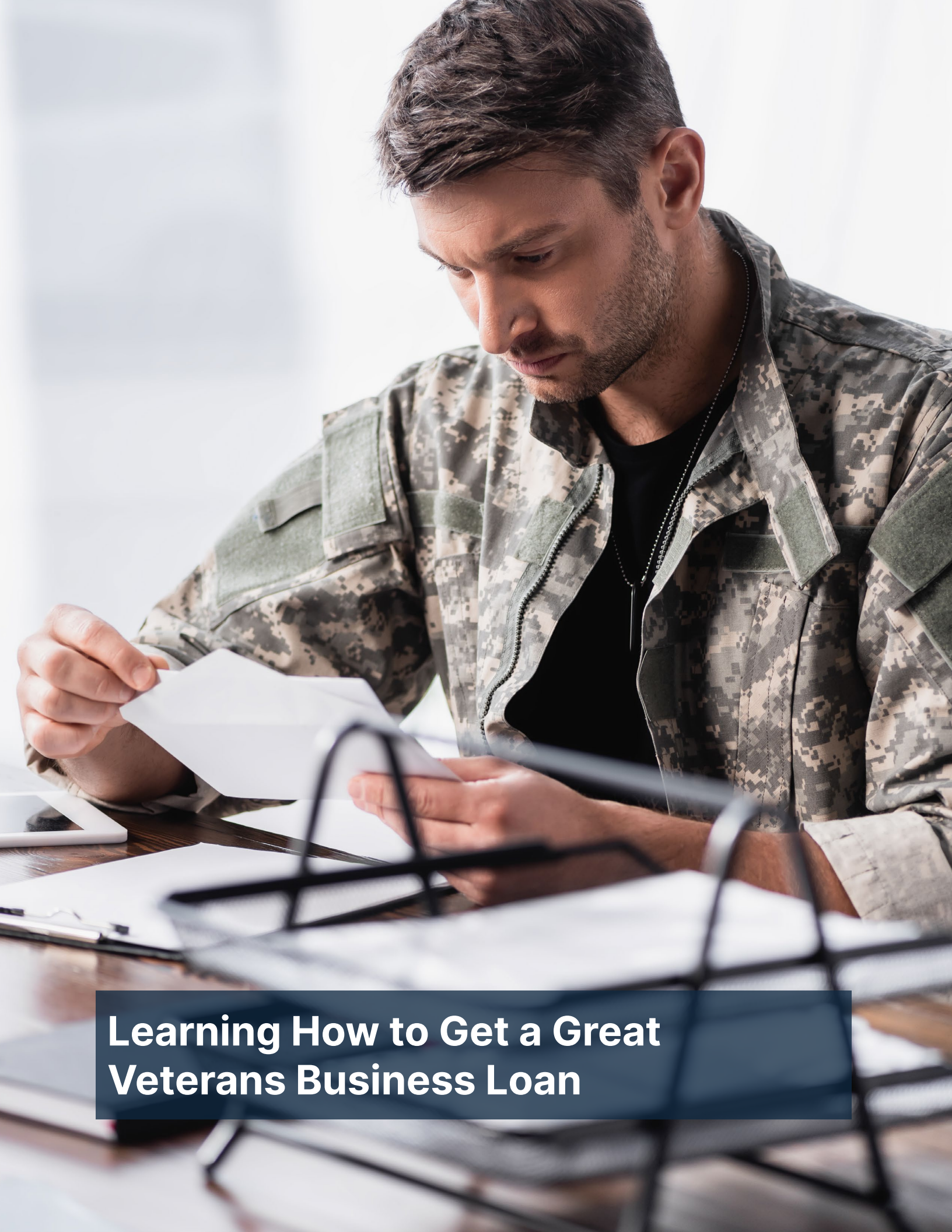
# Demystifying Veterans SBA Loans

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**Learning How to Get a Great  
Veterans Business Loan**

An SBA loan can be an excellent resource for veterans who have served our country and now seek to buy, open or expand a small business. Designed with armed services in mind, SBA veterans loans provide attractive financing options for purposes such as launching startups, purchasing franchises, acquiring equipment, securing working capital, or expanding existing operations. For veteran entrepreneurs, an SBA loan not only offers financial support, but also lower fees, competitive terms, lower interest rates, and flexible repayment schedules. Gaining a clear understanding of the SBA loan process tailored for veterans can empower you to effectively leverage available resources, making it easier to turn your vision into a successful enterprise.

In this comprehensive guide, we'll address common questions veterans frequently ask about SBA loans, including:

- What is a veteran SBA loan?
- What types of SBA veteran loans are available?
- What special SBA loan programs exist for veteran entrepreneurs?
- What are typical SBA loan terms for veteran-owned businesses?
- What eligibility requirements must veterans meet to obtain an SBA loan?
- What SBA resources are available to veterans?
- How are rates determined for SBA veteran loans?
- How do veterans apply for an SBA loan?
- Where can veterans find approved SBA loan lenders?

First Bank of the Lake proudly supports veteran entrepreneurs by offering customized SBA loan solutions and personalized guidance. Working alongside a trusted lender experienced in veteran-focused financing ensures you have the resources and support you need to confidently pursue your business goals.

A woman with brown hair in a ponytail, wearing a green t-shirt and a dog tag necklace, is sitting at a desk. She is looking at a laptop screen. There are papers and a pen on the desk. The background is a blurred office or home workspace.

**What is a Veteran SBA loan?**

A Veteran SBA Loan is a specialized financing solution backed by the U.S. Small Business Administration (SBA), specifically tailored for military veterans to start, grow, or purchase a small business. The SBA understands there are unique challenges that veterans face when pursuing financing for their small businesses. To address these obstacles, the SBA developed specialized lending programs specifically for veterans, to provide financial support. These loan programs offer valuable benefits, including reduced loan fees, competitive interest rates, and veteran specific resources such as networking and training, enabling veteran entrepreneurs to access the funds they need for their small businesses. Entrepreneurs benefit significantly from these SBA programs, which enable easier access to loans compared to traditional small business loans.

Among the most prominent SBA lending options for veterans are the [SBA 7\(a\)](#) and [SBA 504 loans](#). The SBA 7(a) loan offers versatile funding suitable for various small business needs, including working capital, inventory management, purchasing equipment, and debt refinancing. Alternatively, the SBA 504 loan is specifically crafted to finance larger investments such as commercial real estate and long-term equipment purchases, featuring fixed interest rates and favorable repayment terms. Ultimately, SBA loans for veterans provide essential financial resources, empowering veterans to pursue their business ambitions confidently and successfully transition from military service into entrepreneurship. An SBA loan for veterans represents an ideal funding solution, fostering sustainable business growth for veterans across diverse industries.



**What types of SBA loans are available to veterans?**

Veteran small business owners have access to two primary SBA business loan programs: the SBA 7(a) loan and the SBA 504 loan. Both programs are specifically designed to support veterans in launching, expanding, or acquiring small businesses, providing flexible financing solutions tailored to their unique business needs.

The SBA 7(a) loan is the most versatile lending option, ideal for veterans seeking funds for general business purposes such as purchasing inventory, buying equipment, refinancing existing debt, or securing working capital. Veterans benefit from lower fees, competitive interest rates, flexible repayment terms, and the ability to finance a wide range of business expenses, making it the preferred choice for many small business owners.

The SBA 504 loan, on the other hand, focuses primarily on significant, long-term investments. It is specifically structured for veterans planning to purchase fixed assets like commercial real estate or large fixed assets like machinery and equipment. The 504 loan offers fixed, below-market interest rates and long-term repayment options, typically spanning 10 to 25 years. This structure allows veteran-owned businesses to manage larger capital investments effectively while conserving cash flow.



**What special SBA business loan programs exist for veteran entrepreneurs?**

While veterans may apply for any SBA loan; programs like the SBA 7(a) and 504 loans offer specific advantages for veterans. The SBA 7(a) loan is the most used and offers flexible funds for a wide range of needs. From purchasing equipment and inventory to covering working capital or acquiring a business, an SBA 7(a) loan provides a broad use of funds. Veterans may be able to qualify for reduced or waived guaranty fees on 7(a) loans, significantly lowering upfront costs.

The SBA 504 loan is another valuable option, especially for financing fixed assets such as commercial real estate or large equipment. With long-term, fixed-rate financing, this program allows for long-term financial planning and helps business owners manage expenses more effectively.

At First Bank of the Lake, [we go even further to support veteran borrowers](#) by waiving packaging fees, offering a 0.50% discount on rates, providing SBA fee waivers on loans under \$1,000,000, and our lending team is made up of veterans who understand the challenges veteran business owners face securing financing.

In addition to these core programs, the SBA also supports veterans through the Veteran Advantage initiative. This program streamlines the application process and reduces fees for qualified borrowers. For guidance and resources, veteran business owners can also tap into SBA-affiliated support centers like Veterans Business Outreach Centers (VBOCs), which offer networking, business training, counseling, and help navigating loan options.



**What are typical SBA business loan terms for veteran-owned businesses?**

SBA loan terms for veteran-owned businesses are generally the same as those offered to any eligible small business, but veterans may receive added financial benefits like reduced fees. The most commonly used SBA loan is the 7(a), which provides flexible terms based on the intended use of funds. For example, working capital loans and equipment financing typically have repayment terms of up to 10 years, while loans used to purchase real estate can extend up to 25 years.

Interest rates are usually variable, based on the prime rate plus a lender's markup, but the SBA sets maximum limits to keep rates reasonable. SBA loan amounts range from a few thousand dollars to \$5.5 million, depending on the borrower's needs and qualifications.

Veteran-owned businesses may benefit from lower upfront costs. For instance, the SBA often reduces or waives its guaranty fee for veterans on loans under \$1 million. Some lenders, like First Bank of the Lake, offer even more incentives—such as interest rate discounts and waived packaging fees.



**What eligibility requirements are required for a veteran's SBA loan?**

To qualify for a Veteran SBA loan, veteran small business owners need to meet several key criteria established by the U.S. Small Business Administration (SBA). To begin with, veterans must have served in the U.S. military and received an honorable discharge or be married to someone who meets these qualifications. The lender and SBA will verify an applicant's status with a copy of the DD Form 214 (Certificate of Release or Discharge from Active Duty). Active-duty service members nearing transition to civilian life, as well as National Guard members and Reservists, may also qualify.

Borrowers looking to use an SBA veterans business loan for their growth should have a solid personal credit history, as lenders usually prefer applicants with good credit scores and a clear ability to repay debts. Lenders will also evaluate the overall financial health of the business by reviewing documents like financial statements, recent tax returns, cash-flow projections, and detailed business plans. To qualify as a veteran-owned business, veterans must own at least 51% of the company. This majority ownership ensures the business meets the criteria for specialized veteran-focused SBA lending programs.

To qualify for a veteran SBA loan, the business itself must meet the SBA's general eligibility requirements. Meaning, the business must be for-profit, operating in the U.S., fall within the SBA's size standards for small businesses, and show the ability to repay the loan. These criteria are designed to ensure that the loans go to businesses with solid potential—giving veteran entrepreneurs the funding they need to start strong, finance growth, and successfully manage their businesses.



**What SBA resources are available to veterans?**

As of March 2025, the Small Business Administration (SBA) offers a variety of resources tailored to support veterans and their small businesses. These programs are designed to assist veterans at every stage of business development, from initial planning to expansion.

## Veterans Business Outreach Centers (VBOCs)

The SBA operates 31 VBOCs nationwide, providing services such as networking, business training, counseling, and resource referrals. These centers offer key guidance to help veterans develop business plans, understand SBA veterans financing options, and navigate the complexities of running a small business. VBOCs also collaborate with the military to deliver the “Boots to Business” program, offering foundational entrepreneurial education to transitioning service members and their spouses.

## SBA Business Loan Programs with Veteran Benefits

Veterans may access SBA-backed loans, including the 7(a) and 504 loan programs, which offer favorable terms for various business needs. Additionally, the SBA's Veteran Advantage program provides fee reductions on certain loans for eligible veterans, making financing more accessible and affordable.

## Federal Contracting Opportunities

The SBA's Veteran Small Business Certification (VetCert) program enables service-disabled veteran-owned small businesses (SDVOSBs) to compete for federal contracts that are specifically set aside or awarded to veteran-owned businesses. In addition, veteran-owned small businesses (VOSBs) that are certified through VetCert can access even more contracting opportunities through the Department of Veterans Affairs' Vets First program.

A man with glasses and a green shirt is smiling while looking at a tablet. A woman with curly hair, wearing a grey blazer over a striped shirt, is also smiling and looking at the tablet. They are in an office environment with large windows in the background.

**How are SBA loan rates determined for veterans?**

[SBA loan rates](#) for veterans are determined the same way they are for any eligible borrower, but veterans may qualify for added benefits that make the loans more affordable. The interest rate on an SBA loan is influenced by several factors, including the loan type, loan amount, repayment term, and your chosen lender. Most SBA loans, including the popular 7(a) loan, have variable interest rates tied to the prime rate, plus an additional percentage set by the lender. However, the SBA places caps on how high lenders can set interest rates, helping to keep borrowing affordable for small business owners. These caps vary based on the loan amount and term, but they ensure that lenders stay within a reasonable range to make borrowing accessible to small businesses.

Veterans may qualify for fee reductions or waivers, which can significantly lower the overall cost of the loan. For example, under certain SBA programs, the upfront guaranty fee is reduced or waived for veteran borrowers, especially on loans under \$1 million. While this doesn't directly lower the interest rate, it reduces the total cost of borrowing.

Individual lenders may also offer additional rate discounts or incentives for veterans. At First Bank of the Lake, for example, veteran borrowers receive a 0.50% rate discount, along with waived packaging fees. These benefits can make SBA veterans financing more accessible and cost-effective for veterans looking to start or grow their business.



**How can you apply for an SBA loan  
for veterans?**

Before applying, veterans should start by choosing the right loan program for their business's needs. The SBA 7(a) loan is the most common option, providing flexible funding for most business expenses including working capital, equipment, or business acquisitions. The SBA 504 loan is another choice for those looking to purchase real estate or large fixed equipment. While the SBA sets and guarantees a portion of the loan and sets lending guidelines, the loans themselves are provided by participating lenders, such as banks, credit unions, or specialty SBA lenders.

The first step is to confirm your business meets the eligibility requirements. Businesses must be for-profit, operate in the U.S., meet the SBA's size standards, and demonstrate the ability to repay the loan. You'll also need to gather key documents, including a business plan, financial statements, personal and business tax returns, and proof of veteran status if you're seeking veteran-specific loan benefits.

To get started, veterans can contact an SBA-approved lender like First Bank of the Lake or reach out to a local Veterans Business Outreach Center (VBOC) for guidance. These centers offer free assistance with loan preparation, business planning, and navigating the SBA process.

## What to Consider When Choosing a Veteran SBA Lender

When choosing an SBA lender as a veteran business owner, it's important to look beyond just the loan terms and rate. The right lender will offer experience, flexibility, and understanding of what veteran entrepreneurs need to succeed. A lender with a strong SBA track record and a commitment to supporting veterans can make the entire process smoother, from application to funding. Other attributes to consider when selecting a veteran SBA lender are:

- A nationwide SBA lender
- Deep expertise in your loan area whether it be franchises, construction or startups. [Support for veteran-owned businesses](#) if you are looking for a veteran's loan.
- Proven experience in [funding the growth of small businesses](#)
- A reputation for flexibility in working with borrowers, along with creative problem-solving abilities to ensure the best outcomes
- Friendly and helpful staff members, knowledgeable in the complexities of SBA lending and the benefits available for veteran small business owners.

At First Bank of the Lake, we offer all these characteristics and more. With a team that includes veterans, a strong focus on SBA lending, and personalized support, we're committed to helping veteran-owned businesses access the capital they need to grow and thrive.

A wooden sign with the word "OPEN" in large, bold, black letters is hanging from a chain in a window. The sign is made of light-colored wood. In the background, an American flag is visible, partially obscured by the sign. The window frame is dark wood. The background outside the window shows a blurred view of trees and a building.

**OPEN**

**SBA 7(a) and 504 Loans for Veteran-Owned Businesses**

First Bank of the Lake is proud to support veteran-owned small businesses through the SBA loan process. Whether you're launching a new business, buying into a franchise, or expanding an existing business, our team is here to guide you through the SBA veterans financing process with clarity, support, and unmatched experience.

Here's what veteran small business owners can expect when working with us:

- Specialized veteran lending team: Our SBA loan group includes former service members who understand the financial challenges veterans face and how to overcome them.
- Proven expertise: We're one of the top SBA lenders and SBA Franchise lenders in the country, with a dedicated team that focuses exclusively on franchise and small business financing.
- Low down payments: SBA 504 and 7(a) loans both require as little as 10% down, helping you preserve cash while accessing the capital you need.
- Fast responses and efficient closings: We move quickly, so you can too. Our process is built for speed and reliability—from approval to funding.



**Why Choose First Bank of the Lake  
for a Veterans SBA Loans**

At First Bank of the Lake, we're proud to serve those who've served. As an SBA 7(a) Preferred Lender, we've earned a reputation for delivering personalized, efficient financing solutions and we bring that same commitment to every veteran-owned business we support. We're ranked in the top one percent of SBA 7(a) lenders nationwide and have funded over \$500 million in SBA loans in the past year alone.

Our dedicated team of armed forces vets understands the unique needs of veteran entrepreneurs and provides hands-on guidance through every step of the SBA loan process. We handle the heavy lifting—from application to closing—so you can stay focused on building and growing your business. We proudly offer exclusive benefits for veteran borrowers, including reduced fees and interest rate discounts, making capital more accessible and affordable. At First Bank of the Lake, we don't just process loans—we build partnerships. Our goal is to enable and support veteran-owned businesses while strengthening communities across the country through reliable, experienced SBA lending.

## About First Bank of the Lake

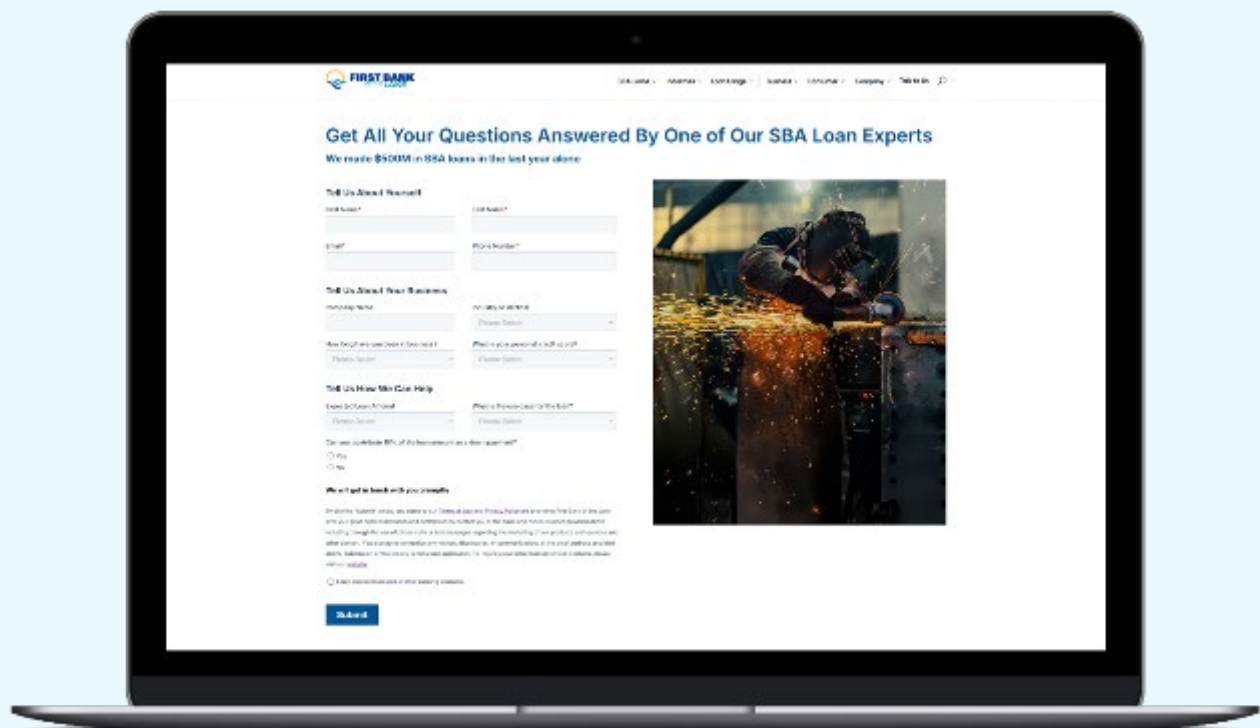
The friendly financial experts at First Bank of the Lake offer SBA loans designed with the needs of our customers in mind. We financed more than \$500 million in [SBA loans](#) over the past 12 months and are ranked in the top 1% as 15th largest SBA 7(a) lenders in the United States by approval amount during the SBA fiscal year 2024. Since our founding in October 1985, we have offered outstanding customer service and the best financial options for their needs. Today, First Bank of the Lake offers loans for business enterprises across the United States. To learn more about our bank or to apply for an SBA loan, [visit our website](#) or check us out on [Facebook](#) or [LinkedIn](#). Our friendly and knowledgeable staff members will be happy to discuss your loan options with you and to help you achieve the highest degree of success in your chosen industry. Please contact us at (888) 828-5689 to get your business loan questions answered today!

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# Get Started Today

Contact us today to learn more about how government-backed SBA loans can help you grow your business.

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