



SMALL BUSINESS LOANS  
**HOUST★N**

YOUR **2019 GUIDE** TO LOCAL LENDING



KAPITUS™

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# HAVING ENOUGH CASH FLOW IS CRITICAL TO KEEP YOUR BUSINESS UP AND RUNNING.

But it can be a challenge, especially if you're one of the thousands of non-tech "mom and pop" style shops that help keep Houston running on a day-to-day basis. Here's the good news there are a ton of lenders who provide a variety of small business loans in Houston. All you need is to know where to look.

And, we've done that part for you. In this guide, you'll find a list of the best Houston small business loan programs, grants, and alternative options for your financial needs.



# TOP LOCAL LENDERS FOR HOUSTON SMALL BUSINESS LOANS

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Whether you're looking to run, grow, or secure your small business, Houston has a multitude of options for business funding. Here are a few financial institutions, non-profits and government programs for you to look into.



With over two dozen locations in the greater Houston area, you won't be far from a local office. You'll also have the option to access funds via check, phone transfer and online accounts too.

[BBVA USA](#) offers a variety of small business loan options, including:

## **Small Business Line of Credit**

A business line of credit gives the flexibility to purchase equipment, improve short-term cash flow, and cover other needs as they arise. Credit is accessible when you need it, and you pay interest on the funds you use, similar to a credit card.

BBVA offers both secured and unsecured traditional lines of credit. Secured lines start at \$10,000 and unsecured at \$100,000. They also have an unsecured convenience line of credit available from \$10,000 up to \$100,000.



## Business Term Loans

Term loans tend to be for long-term, predictable needs. Things like equipment purchases or facility renovations are often choices for term loans. These loans are lump sums that are repaid over a pre-determined time frame, plus interest.

BBVA offers secured and unsecured business term loans starting at \$5,000. Loans are funded at closing and terms run up to five years. For Houston small businesses in the health care industry, interest rate discounts, and extended loan terms to 10 years are available.

## Commercial Real Estate Loans

These loans are for real estate costs. Projects can include everything from expanding a facility to buying new office space or purchasing equipment. BBVA offers secured installment loans for commercial real estate. Both fixed and variable terms are available with terms ranging from 5 to 25 years. There are no balloon payments.

For owner-occupied commercial property, BBVA has a maximum Loan-to-Value (LTV) of 85 percent and 70 percent LTV financing on non-owner-occupied commercial property.

## SBA Loans

The U.S. Small Business Administration (SBA) is a governmental agency that helps small business owners. One of the ways they do that is through SBA loan programs.

BBVA has three types of SBA loan programs for small business owners.

**SBA 7(a) Loan:** A general purpose loan that's used for anything approved by the SBA. BBVA offers loans between \$350,000 and \$5 million, variable or fixed rate. Terms vary based on the use of the loan, ranging from five years for working capital to 25 years for real estate.

**SBA 504 Loan:** This loan is traditionally used for real estate and equipment purchases. BBVA offers loans from \$2 million to \$15 million, fixed or variable rate. The terms range from 10 years for equipment to 20 years for real estate.

**Conventional Loan:** This is another type of general purpose loan. Some small business owners turn to this loan for items that aren't covered by SBA 7(a) loans. The amount available has no limit at fixed or variable rates. The terms vary from one year for working capital lines of credit to 20 years for real estate.

Typically there are fees associated with SBA loans, so check on those rates as you investigate your options.





Small Local Bank

## Texas Citizens Bank

Texas Citizens Bank has six branches operating in the greater Houston area. This bank is known for working closely with Houston small business owners for business funding and loans.

Here's what they offer:

### Real Estate Loans

TCB offers both commercial and investment real estate loans. Examples of uses range from owner-occupied spaces and industrial warehouses to retail shops. TCB has both short term and long term financing options from the construction phase onward.

### Lines of Credit

TCB has options for both secured and unsecured lines of credit.

### SBA Loans

TCB offers both the SBA 7(a) Loan and the 504 loans.

For the SBA 7(a) Loan, the credit limit is up to \$5 million. The terms are up to 25 years for real estate and up to 10 years for other purchases including equipment or inventory.

TCB classifies the SBA 504 as a Fixed Asset Loan for long-term projects including buildings, renovations, land and equipment. The credit offered is up to \$5 million, and terms are up to 25 years for real estate.

### Equipment Loans

If you need new equipment to replace outdated models or want to upgrade current machinery, TCB has equipment loans available.

### Inventory Loans

Want to capitalize on a special bulk wholesale deal? Then an inventory loan might be a solution for you.





Credit Union

## Members Choice Credit Union

Members Choice is a credit union serving the greater Houston area focusing on West Houston, Katy and Cy-Fair. There are seven locations for members to visit in the area.

Here's what MCCU has on offer for Houston small business loans:

### **Business Loans**

A variety of loans fall under this umbrella. MCCU offers options primarily focused on helping regain short-term cash flow.

These loans and lines of credit include equipment, commercial real estate, capital and company acquisition loans.

### **SBA Loans**

MCCU offers SBA Loans to members. You can use the loans for owner-occupied real estate and business acquisitions. The loan amount is up to \$5 million with monthly repayment options for up to 25 years. For financing for both real estate and business acquisition, MCCU requires a 10 percent minimum down payment.





## Houston-Galveston Area Local Development Corporation

The H-GALDC is a division of the Houston-Galveston Area Council (H-GAC), an association of local governments in the Gulf Coast region. Local elected officials make up the board of H-GAC. Here's what H-GALDC offers:

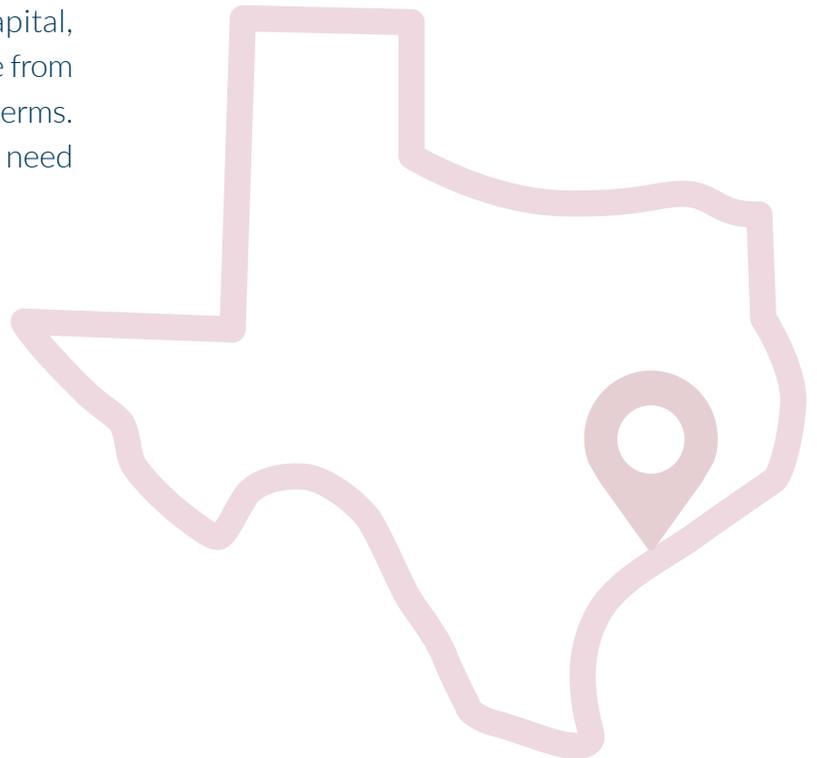
### **SBA 504 Loan Program**

For fixed asset projects, H-GALDC offers fixed rate 20 year terms. The loans range from \$500,000 to \$10 million.

Within the SBA 504 Loan Program, H-GALDC also offers VetLoan Advantage. This loan helps veterans get financing. H-GALDC offers cash rebates up to \$5,000 to help offset loan expenses for veterans.

### **Business Loan Fund**

H-GALDC also has a Business Loan Fund as well. This program offers loans for working capital, construction and real estate. The loans range from \$100,000 to \$300,000 and have 10 year terms. For every \$65,000 in loan funds, recipients need to create one job.





## Houston Business Development, Inc.

Houston Business Development, Inc. (HBDi) is a 501(c)(3) non-profit corporation. Its goal is to work closely with local Houston small business owners to provide loans and access to capital.

HBDi offers the following Houston small business loans for established business owners:

### Small Business Loan

The traditional Small Business Loan ranges from \$5,000 to \$500,000. It can be used for real estate, working capital, furniture & fixtures, and equipment. Rates are fixed and determined on a case by case basis with terms up to 25 years.

### Fast Track Loan

The Fast Track Loan offered by HBDi is for those who need access to capital quickly. This loan has a three business day processing period and a seven year term with fixed rates on funds ranging from \$5,000 to \$25,000.

### SBA 504 Loan

The SBA 504 Loan is available for equipment, commercial real estate and renovations. HBDi requires a 10 percent down payment on fixed rate loans up to \$5 million.



# TOP TRADITIONAL LENDERS FOR HOUSTON SMALL BUSINESS LOANS

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Here, you'll find a mix of some of the traditional banks, local and community banks, and credit unions in the greater Houston area that offer small business loans.

## 1 Wells Fargo

[Wells Fargo](#) offers business term loans (unsecured business loan, equipment express loan, advancing term loan), commercial real estate (purchase, refinance, equity, line of credit), secured and unsecured lines of credit.

## 2 JPMorgan Chase

[JPMorgan Chase](#) offers include SBA backed loans, equipment loans, trade finance and commercial real estate loans.

## 3 Wallis Bank

[Wallis Bank](#) offers business commercial loans, commercial real estate loans, and SBA loans.

## 4 Plains State Bank

[Plains State Bank](#) offers options for lines of credit, commercial real estate loans, equipment loans and agricultural loans.

## 5 Spirit of Texas Bank

[Spirit of Texas](#) offers commercial lending options and SBA loans.

## 6 Allegiance Bank

[Allegiance Bank](#) offers working capital revolving lines of credit, working capital term loans, equipment financing, commercial and owner-occupied real estate loans, and SBA guaranteed loans.

## 7 Texas Dow Employees Credit Union

[Texas Dow Employees Credit Union](#) offers both commercial real estate construction and owner-occupied real estate loans. Plus, equipment loans, revolving or seasonal line of credit and SBA backed loans.

# TOP GOVERNMENT PROGRAMS FOR HOUSTON SMALL BUSINESS LOANS

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For small business owners looking to the state and Federal government, there are options available. Here are some of the programs for Houston small business loans:

## 1 Texas Product Development and Small Business Incubator Fund

Texas offers [two loan programs](#) under this umbrella. The Small Business Incubator Fund offers long-term asset-backed loans for new and existing Texas based small businesses. The Development Fund is aimed at businesses creating new products to be used for commercial application. To qualify, businesses must have 3+ years of operating history. The asset backed loans run from \$1 million to \$5 million with 15-20 year terms.

## 2 Texas Capital Access Program

[The Texas Capital Access Program](#) is a joint program between the State of Texas and local nonprofits to help small businesses that struggle with access to capital. Small businesses applying must have 51 percent of their employees based in Texas. The loans are for working capital, equipment purchases and construction, and purchase or lease of buildings.

## 3 Economic Development Administration Revolving Loan Fund

The Economic Development Administration (EDA) offers a [Revolving Loan Fund](#). This fund helps stimulate both business and job growth for small businesses in communities around the country.

# TOP FUNDS AND NON-PROFIT PROGRAMS FOR HOUSTON SMALL BUSINESS LOANS

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Banks and government agencies aren't the only places to turn. When it comes to finding small business loans Houston has plenty. Local and statewide funds and nonprofit programs are also around to help local small business owners. Here are a few funds and nonprofit programs.

## 1 **LiftFund**

[LiftFund](#) is a non-profit that focuses on helping Houston small business owners who have limited access to loans and capital.

Small business owners can apply for Small Business Loans up to \$1 million and SBA 504 loans for commercial real estate and equipment needs or to refinance debt.

## 2 **PeopleFund**

[PeopleFund](#) provides loans to small businesses and nonprofits. The loans can be used for working capital, equipment, real estate or revolving lines of credit.

Their customized loan program offers up to \$350,000 and terms up to seven years. PeopleFund also offers

an SBA 504 Loan program for long-term assets. There is a maximum of \$5 million for the SBA 504 loan and up to \$5.5 million for manufacturing.

## 3 **BCL of Texas**

[BCL of Texas](#) works with disadvantaged small business owners. They offer a Small & Diverse Growth Fund that helps women- and minority-owned businesses. BCL of Texas also has a Business Growth Fund and SBA 504 Loan Program.

The Small & Diverse Growth Fund has loans from \$5,000 up to \$50,000 with a three day decision turnaround. The Business Growth Fund offers loans between \$50,000 and \$300,000 for working capital, refinancing, real estate and machinery. The SBA 504 Loan Program goes up to \$5.5 million on a term of 10 to 20 years.

## 4 Capital CDC

[Capital CDC](#) is a nonprofit that operates throughout Texas and New Mexico. They focus specifically on small business financing options.

For Houston based small business owners, Capital CDC has several options that fall under the SBA 504 umbrella. These include the traditional SBA 504 Loan and a 504 Refinance for Expansion Program. Capital CDC also offers the SBA VetLoan Program for veteran-owned small businesses. The Community Advantage Loan Program works with SBA 504 or SBA 7(a) lenders in underserved markets.

## 5 Central Texas CDC

The [CTCDC](#) is a public nonprofit that provides loans through public sector financing programs. They work with area banks, governmental organizations, and local community organizations to help stimulate growth.

CTCDC offers an SBA 504 Loan Program. They also administer the Economic Development Administration's Revolving Loan Fund.



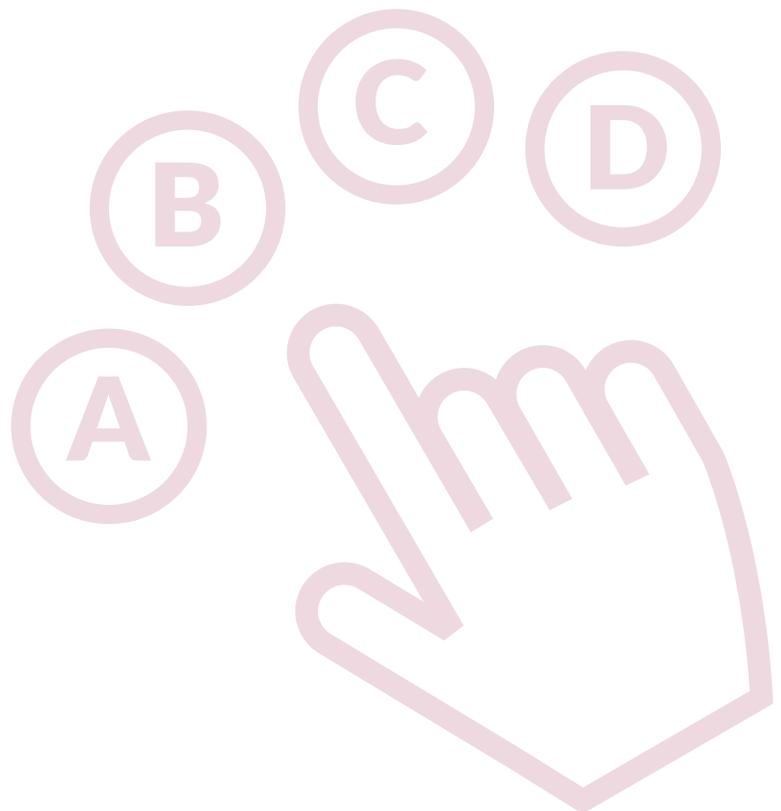
# ONLINE SMALL BUSINESS LOAN OPTIONS

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Easy access to the internet means there are plenty of online small business loan options to explore too. In many smaller local areas, traditional banks aren't offering lending options to some small businesses at the rates they used to.

Online lenders, like [Kapitus](#), have jumped into that space. Many online options can offer more personalized loan options with the aid of technology and algorithms. They can often process loan applications more quickly, giving small business owners an answer within a few hours versus a few days.

Online small business lenders typically offer a combination of term loans, equipment financing and lines of credit. Your qualifications might depend on your business's revenue, time in operation and credit scores.



# GRANTS FOR HOUSTON SMALL BUSINESS OWNERS

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To help stimulate the local economy and boost small businesses, several local and state organizations offer grants to Houston small business owners. Here are some of the grant programs available:

## 1 City of Houston Economic Development Grants

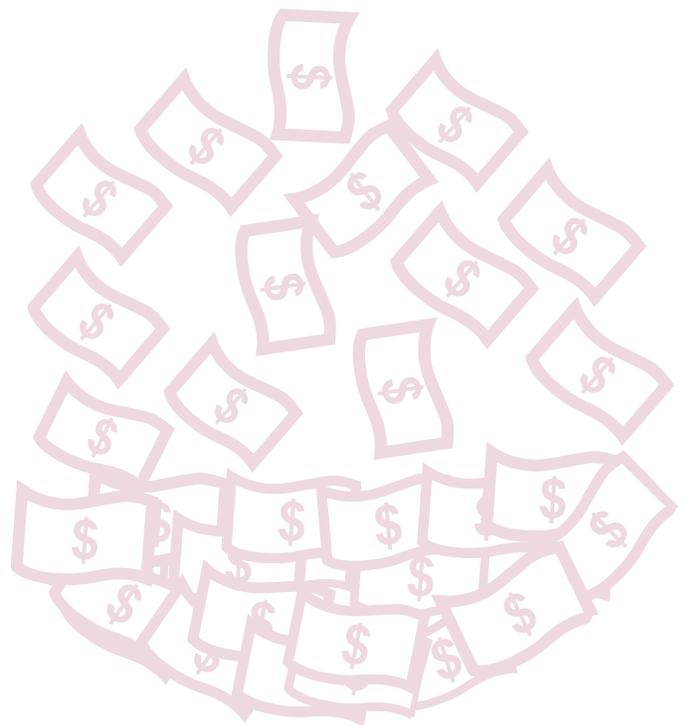
Houston provides [grants](#) to qualifying businesses and nonprofits. Applicants are encouraged to reach out to the Economic Development Division and explain their project to get the process started.

## 2 TEDC Job Creation/Retention Grant

The greater Houston Tomball Economic Development Corporation offers [cash grants](#) for projects that create or retain jobs.

## 3 State of Texas eGrants

The State of Texas maintains an online database of all of the [grants](#) available within the state.



# THE BOTTOM LINE

The seal of the City of Houston, Texas, is centered in the background. It features a five-pointed star with a circular seal in the center. The seal contains the text 'CITY OF HOUSTON' at the top and 'TEXAS' at the bottom. Inside the seal, there is a depiction of a building and a star.

If you're looking for small business loans, Houston has a lot of options available. These loans and grants are one place to start. Kapitus is another. Hundreds of other Houston small business owners just like you have received the funding they need from the Kapitus Houston Small Business Loans Program.

For Houston small business owners who have been in business for one year, have a minimum annual revenue over \$100,000 and credit scores above 550, you have good baseline qualifications.

Ready to get started? [Click here to learn more](#) and begin the process.

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If you want to get more specific advice on which financing options are right for your business, or how to choose a lender for your business financing, call Kapitus at 800-780-7133 to speak with one of our financing specialists or [visit our website](#)



## **About Kapitus**

*Founded in 2006 and headquartered in NYC, Kapitus is one of the most reliable and respected names in small business financing. As both a direct lender and a marketplace built with a trusted network of lending partners, Kapitus is able to provide small businesses the financing they need, when and how it is needed. With one application business owners can save time and money, while eliminating the stress that comes with applying to different lenders. At Kapitus, we believe that business owners should be able to focus on running their business, while we take care of the financing. To learn more, visit [www.kapitus.com](http://www.kapitus.com).*



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