10%

PLAIN ENGLISH

The 2026 SBA rules, explained.

How buyers fund million dollar deals with five percent down.

THE SETUP

The government backs business buyers.

Banks are happy to lend against a small business because the SBA guarantees most of the loan if things go wrong. That guarantee is the entire reason Main Street deals get financed at all.

THE STACK ON A $1M DEAL

Where the money comes from.

SBA 7(a) loan — $900K

the business repays this over ten years

Seller note on standby — $50K

the seller waits, and it counts as half your down payment

Cash from you — $50K

five percent of the purchase price

THE STANDBY TRICK

The seller finances your down payment.

The rules require ten percent down. But if the seller carries a note and agrees to full standby, collecting nothing until the SBA loan is repaid, their note counts for half of it. You bring five percent in actual cash.

THE TERMS

Ten years, no balloon.

SBA 7(a) loans fully amortize over ten years at a capped rate near Prime plus a few points. Compare that to conventional deals that balloon in year five and force a refinance at whatever rates look like then.

Boring terms are a feature. You always know the payment.

THE HONEST MATH

A $1M business earning $250K.

> Loan payments run about $140K a year.
>
> That leaves roughly $110K to pay you and grow.
>
> Your cash in the deal: $50K.

A six figure income stream, purchased for the price of a pickup truck.

THE CATCH

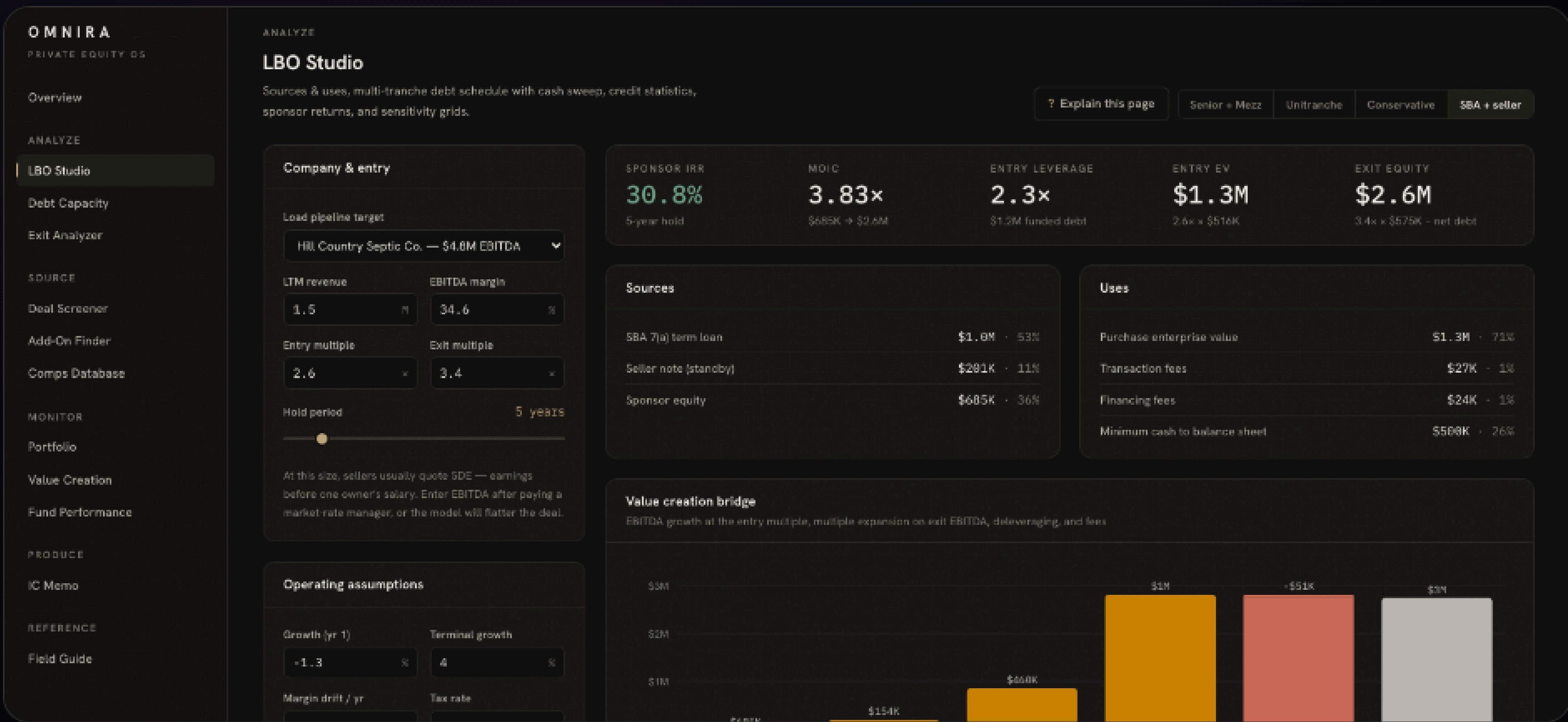
You sign for all of it.

The SBA requires a personal guarantee, the seller has to actually agree to wait ten years, and the lender still needs the deal to cash flow on paper. The rules open the door. The numbers still have to walk through it.

Leverage is a tool, not a gift.

TRY IT

This exact structure is in the terminal.



Pick the SBA preset and watch the whole deal recompute, seller standby included.

DM the word TERMINAL for access