

To help your readers navigate the funding landscape, here is a detailed breakdown of three primary sources for "Other People's Money" (OPM).

1. SBA Loans: The Government-Backed Standard

The [U.S. Small Business Administration \(SBA\)](#) does not lend money directly to small business owners. Instead, it provides a guarantee to lenders, which reduces their risk and makes it easier for you to access capital with favorable terms.

- **Key Programs:**
 - **7(a) Loans:** The most popular program for general purposes, including working capital, equipment, or buying an existing business.
 - **504 Loans:** Best for long-term, fixed-asset investments like purchasing real estate or large machinery.
 - **Microloans:** Smaller loans up to \$50,000 for startups or newly established businesses.
- **Typical Requirements:** A credit score of at least **615–680**, a solid business plan, and the ability to provide collateral for loans over \$25,000.
- **Best For:** Established businesses with steady cash flow that want to retain **100% ownership** while benefiting from low interest rates and long repayment terms.

2. Angel Investors: The "Smart Money"

Angel investors are high-net-worth individuals who provide capital in exchange for an **equity stake** (ownership) in your business.

- **The Advantage:** This is not a loan; if your business fails, you generally do not have to pay the money back. Angels often bring mentorship, industry connections, and strategic expertise.
- **The Trade-off:** You must relinquish a portion of your profits and decision-making control.
- **Best For:** High-growth startups (like tech or biotech) that may not have the revenue history to qualify for traditional bank loans.

3. Esource Lending: Specialized Financial Intermediaries

When seeking SBA or other specialized business loans, many entrepreneurs use **Lender Service Providers (LSPs)** or specialized firms like **Esource Lending** to navigate the complex application process.

- **What They Do:** Companies like [E Source](#) (often associated with utility and data-driven business solutions) or specialized lending intermediaries act as bridges between small businesses and financial institutions. They help prepare documentation, ensure SBA compliance, and match you with the right lender to speed up approval.
- **Benefits:** Using an "esource" for lending can reduce the typical 60–90 day SBA timeline by ensuring your "loan package" is perfect before it hits an underwriter's desk.

Feature	SBA Loans	Angel Investors
Cost	Interest + Fees	Equity / Ownership
Repayment	Monthly payments required	No fixed schedule
Control	You keep 100%	Investor has a "seat at the table"
Approval Time	45–90 days	Variable (can be fast or very slow)

Would you like a template for an "Investor Pitch Deck" to help your readers approach these angel investors?





17 sites

- Angel Investors vs. Small Business Loans: How to Choose

Apr 28, 2025 — Conclusion. Both angel investors and small business loans provide valuable options for financing your business, but they cater to ...



Crestmont Capital



- ROBS vs. SBA Loan vs. Angel Investors - IRA Financial

Aug 26, 2025 — What Is an SBA Loan? The Small Business Administration (SBA) offers government-backed loans through private lenders. These loans c...



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- SBA Loan Requirements & Tips for Qualifying - SoFi

Nov 20, 2024 — The U.S. Small Business Administration (SBA) helps businesses qualify for financing by guaranteeing loans through lenders. These l...



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