

COMMENTARY



What You Can Do While Waiting on Your SBA Loan During the Federal Government Shutdown

If you've applied for an SBA loan and are now caught in the middle of the federal government shutdown, you're not alone. Thousands of business owners are in the same boat; applications submitted, documents in, but no approvals moving forward.

It's a tough spot to be in. You've put time and effort into planning, gathering paperwork, and mapping out how this funding will help your business grow. Then, suddenly, everything grinds to a halt. While it's frustrating to wait, there are still smart steps you can take right now to keep your business steady and your plans on track.

1. Stay connected with your lender

Even though the SBA isn't processing approvals, your lender is still open and working. Keep in touch with your loan officer or relationship manager. They can update you on where your application stands and let you know what work can continue behind the scenes.

Many financial institutions are still reviewing files, completing underwriting, and preparing applications so that when the SBA reopens, they can submit them immediately. If your lender has all your updated information ready, you'll be among the first in line once processing resumes.

This is also a good time to ask about temporary financing options. Some lenders can offer short-term bridge loans or working capital lines to help you stay afloat until your SBA funds come through.

2. Take a fresh look at your financials

The waiting period is a good opportunity to tighten up your financial documentation. Review your profit and loss statements, balance sheet, and cash flow projections to make sure everything is accurate and current.

If there have been any changes in your business since you submitted your loan, like higher sales, new expenses, or shifts in staffing, update those

numbers and share them with your lender. The SBA will likely want to see the most recent information once things start moving again and having it ready can help speed things up.

Also, revisit your business plan. A strong, clear plan that shows how you'll use the funds and generate revenue gives lenders and the SBA confidence in your project. If your business strategy has evolved, now's the time to reflect on that.

3. Manage your cash carefully

With loan funding on hold, keeping a close eye on cash flow is more important than ever. Create a detailed 60- to 90-day forecast that outlines your income and expenses. Identify any potential shortfalls early so you can plan ahead.

If cash is tight, reach out to vendors, landlords, or other creditors to see if they'll work with you on adjusted payment terms. Most small business partners understand what's happening and would rather work out an arrangement than lose a good customer.

Even small adjustments, like delaying non-essential purchases or tightening up receivables, can make a big difference in preserving cash during a delay.

4. Keep your team and partners in the loop

In uncertain times, transparency builds trust. If your funding delay is affecting hiring plans, project timelines, or expansion efforts, communicate that early to your employees, vendors, and contractors.

Let them know what's happening and what steps you're taking to move forward once the loan comes through. Most people will appreciate your honesty and flexibility, and it

helps maintain trust and stability during an uncertain period. Regular updates can help maintain morale and strengthen relationships.

5. Explore alternative funding options

While SBA loans often provide the best rates and terms, they're not the only way to access capital. Depending on your needs, you might consider:

- Conventional business loans through your credit union or local bank.
- Lines of credit for short-term working capital.
- Equipment or vehicle loans for specific purchases.
- State or local funding programs, particularly those that offer low-interest loans or grants, especially during federal shutdowns.
- Community development programs or revolving loan funds in your area.

Before making a move, talk to your lender to understand how a temporary solution could affect your SBA loan when the program resumes.

6. Keep your business moving where you can

Funding delays don't have to stall your momentum. Continue building your customer base, refine your marketing, or get other parts of your project ready.

For example, you might:

- Finalize contracts with vendors or suppliers with contingency clauses for funding.
- Continue any permit or licensing work.
- Strengthen relationships with potential customers or community partners.

The more progress you make now, the faster you'll be able to put your loan to work once the funds are released.

7. Stay grounded and focused

It's easy to feel discouraged when something outside your control holds up your plans. But remember, this situation is temporary. The SBA has a strong track record of catching up quickly once operations resume.

In the meantime, take care of yourself and your team. Lean on your network, other business owners, advisors, or financial institution, for support and ideas. Sharing information and encouragement can help you keep perspective and pick up new ideas.

Final thoughts

No one can say exactly when this shutdown will end, but when it does, the businesses that have used this downtime to prepare will be the ones ready to move fastest.

The common thread among businesses who have successfully managed these types of disruptions and who come out strongest is that they stay proactive, organized, and in close contact with their lender.

Keep your financials clean, manage your cash flow wisely, and keep your plans in motion. When the SBA reopens, you'll be ready to take that next step, confident, prepared, and positioned for growth.

About Chad Witcher

Chad Witcher is vice president of business lending at Mountain America Credit Union, bringing more than 20 years of leadership in commercial finance. He oversees a top-

performing team providing SBA, conventional, and construction financing. Previously COO of a national CUSO and Director of Zions Bank's National Real Estate Group, Chad holds degrees from Weber State and the University of Utah and is a Pacific Coast Banking School graduate. He actively supports small-business and education initiatives.

