



# SBA Information Notice

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**TO:** All SBA Employees and 7(a) Lenders

**CONTROL NO.:** 5000-17038

**SUBJECT:** FY 2018 Updated Fee Schedule for  
SBA Oversight of 7(a) Lenders

**EFFECTIVE:** January 25, 2018

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## **Introduction**

The purpose of this Notice is to announce that SBA's Office of Credit Risk Management (OCRM) is updating certain of its review fees for the oversight of 7(a) Lenders.

## **Background**

SBA is authorized to charge 7(a) Lenders fees to cover the costs of monitoring, reviews, examinations, and other lender oversight activities. 15 USC 634(b)(14). In accordance with this authority, SBA charges 7(a) Lenders fees for monitoring, including the quarterly off-site/monitoring reviews conducted through the Loan and Lender Monitoring System (L/LMS). SBA also charges 7(a) Lenders fees to cover the costs of the following reviews: (1) Lender Profile Assessments (LPA); (2) Analytical Reviews; (3) Targeted Reviews; (4) Full Reviews; (5) Delegated Authority Reviews; and (6) Other Reviews (e.g., Agreed Upon Procedures Reviews). In addition, SBA's oversight fees include costs related to Other Lender Oversight Activities (e.g., technical assistance and analytics and similar costs to support SBA's lender oversight program).

These oversight fees are based on SBA's costs. The fees for monitoring (e.g., L/LMS and subscription services), the LPA, and Other Lender Oversight Activities are assessed annually based on each 7(a) Lender's portion of the total dollar amount of 7(a) guarantees in SBA's portfolio or, as applicable, the relevant portfolio segment the activity covers. For purposes of this calculation, a Lender's portfolio size is determined as of the end of the prior fiscal year.

## **Oversight Fees for FY2018**

For FY 2018, the annual fee for monitoring, the LPA and Other Lender Oversight Activities will be approximately \$117 (for SBA Supervised Lenders) and \$119 (for Federally Regulated 7(a) Lenders) for every \$1 million in 7(a) guaranteed dollars a 7(a) Lender has outstanding. The charge for the Federally Regulated 7(a) Lenders is slightly higher because it includes the costs associated with oversight tools that are not applicable to SBA Supervised Lenders. In addition, for FY 2018, the fee for Delegated Authority Lenders is approximately \$17 for every \$1 million in 7(a) guaranteed dollars a delegated Lender has outstanding. This fee covers the costs of Delegated Authority Reviews, and is assessed annually based on each delegated 7(a) Lender's portion of the total dollar amount of 7(a) guarantees in the SBA loan portfolio for all delegated 7(a) Lenders as of the end of the prior fiscal year.

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**EXPIRES:** 01/01/2019

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**SBA Form 1353.3 (12-93) Use 4-93 Edition Until Exhausted**

**Must be accompanied by SBA Form 58**

In addition, beginning March 26, 2018, any 7(a) Lender that is under an Order or Agreement with its primary Federal Financial Institution Regulator or State regulator, as described in SOP 50 53 (A), Chapter 3, Para. 3.b., and that wants to sell its SBA guaranteed portion of loans into SBA's Secondary Market, will be required to pay for a loan-by-loan review before its loans may be sold into the Secondary Market. This is consistent with SBA's policy that those Lenders that represent increased risk and warrant additional oversight should bear the cost of that oversight rather than apportioning it to others. 81 FR 52595, 52601 (Aug 9, 2016). SBA estimates that the fee for each Secondary Market loan review will be approximately \$1,000. If, however, the review identifies deficiencies and the Lender resubmits the loan with additional information for review, the Lender will incur an additional review fee of \$1,000. An additional review fee may be incurred each time the Lender resubmits the loan with additional information for review.

Invoices for Secondary Market loan review fees will be sent to affected Lenders at the end of each month and will be due and payable even if the loan is not approved for sale. If a Lender's Order/Agreement has been or is subsequently terminated, Lender must notify SBA's OCRM at Lender.Oversight@sba.gov or by phone at 202-205-7433. Lender will be charged the review fee for all loans submitted for Secondary Market sale on or after March 26, 2018 and until the Lender notifies SBA that its Order/Agreement has been terminated.

**Updated Fee Schedule**

The Fee Schedule below updates the annual oversight fee that SBA will charge 7(a) Lenders to cover the costs of monitoring, the LPA, Other Lender Oversight Activities, and Delegated Authority Reviews, during Fiscal Year 2018 (October 1, 2017 through September 30, 2018). SBA will bill each 7(a) Lender for the amount owed on an annual basis. All other review fees from FY 2017 remain unchanged.

<i>Charge per \$ Million</i>	<i>Previous Fees</i>	<i>Revised Fees</i>	
		SBA Supervised Lenders	Federally Regulated 7(a) Lenders
Monitoring, LPA, and Other Lender Oversight Activities (For non-delegated lenders)	\$126.64	\$116.62	\$118.38
Monitoring, LPA, Other Lender Oversight Activities, and Delegated Authority Review (For delegated lenders)	\$138.76	\$133.77	\$135.53

**Questions**

Questions may be directed to Adrienne Grierson, Deputy Director, Office of Credit Risk Management at [Lender.Oversight@sba.gov](mailto:Lender.Oversight@sba.gov).

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Susan E. Streich  
Director  
Office of Credit Risk Management