



SBA Information Notice

TO: All SBA Employees and SBA Express Lenders

CONTROL NO.: 5000-20025

SUBJECT: Temporary Increase to SBA Express Maximum Loan Amount and Permanent Changes to Fee Relief for SBA Express loans to Veteran-Owned Small Businesses in the CARES Act

EFFECTIVE: May 7, 2020

On March 27, 2020, President Trump signed into law the [Coronavirus Aid, Relief, and Economic Security Act \(“CARES Act”\)](#) (P.L.116-136). This Notice announces the changes to the SBA Express Loan Program made by the CARES Act.

SBA Express Maximum Loan Amount Temporarily Increased to \$1,000,000 through December 31, 2020:

- Section 1102(c) of the CARES Act amends Section 7(a)(31)(D) of the [Small Business Act](#) (15 U.S.C. 636(a)(31)(D)) by temporarily increasing the maximum loan amount under the SBA Express Loan Program from \$350,000 to \$1,000,000 for loans approved from March 27, 2020 through December 31, 2020. The maximum loan amount under the SBA Express Loan Program will automatically revert to a maximum of \$350,000 effective January 1, 2021. It is important to note that this temporary increase to the SBA Express maximum loan amount does not apply to Export Express loans (Section 7(a)(34) of the Small Business Act), which remains at a maximum loan amount of \$500,000.
- SBA Express loans approved prior to March 27, 2020 may not be increased to a total loan amount of more than \$350,000. If the borrower needs additional funding, the borrower must request a new loan.
- SBA Express loans approved on or after March 27, 2020 may be increased up to a maximum of \$1,000,000 in the aggregate for all outstanding SBA Express loans to the Borrower (and its affiliates). After December 31, 2020, an increase to an SBA Express loan that would bring the aggregate SBA Express loan approval amount(s) to a level exceeding \$350,000 will not be permitted.

- A Borrower (including its affiliates) may have multiple SBA Express loans at one time; however, the aggregate SBA Express loan amount for all outstanding SBA Express loans may not exceed \$1,000,000 during the period from March 27, 2020 through December 31, 2020.
- Lenders are reminded that, in accordance with SOP 50 10 5(K), Subpart B, Chapter 2, Paragraph V.E.9., a Lender may not refinance its own existing SBA debt (including an existing SBA Express loan) with an SBA Express loan. Existing SBA-guaranteed loans may not be refinanced under SBA Express. The only exceptions are:

If the transaction is the purchase of an existing business that has an existing SBA loan that is not with the requesting SBA Express Lender; and

If the Applicant needs additional financing and the existing Lender is unable or unwilling to increase the existing SBA loan or make a second loan, and the new loan will meet the 10 percent improvement to debt service coverage requirement, as applicable.

Upfront Guaranty Fee Relief for SBA Express loans to Veteran-Owned Small Businesses:

Section 1102(d) of the CARES Act amends Section 7(a)(31)(G) of the Small Business Act (15 U.S.C. 636(a)(31)(G)) by removing the exception provision in paragraph 7(a)(31)(G)(ii) for guaranty fee waivers for veteran-owned businesses. As a result of this change to the Small Business Act, for all SBA Express loans to veteran-owned small businesses approved on or after March 27, 2020, the upfront guaranty fee will permanently be zero.

Questions

If you have any questions regarding this notice, please contact your local SBA field office or the service centers. To locate your local office or service center, please go to <https://www.sba.gov/about-sba/sba-locations>.

Dianna L. Seaborn
Director
Office of Financial Assistance