



SBA Information Notice

TO: All SBA Employees, 7(a) Lenders, Microloan Intermediaries, and Certified Development Companies

CONTROL NO.: 5000-20086

EFFECTIVE: January 27, 2021

SUBJECT: Notice to Lenders that SBA has Informed Eligible Borrowers of Assistance Available under Section 1112 of the CARES Act

The purpose of this notice is to inform 7(a) Lenders, Certified Development Companies, and Intermediaries that, in accordance with the requirements of the Economic Aid to Hard-Hit Small Businesses, Nonprofits and Venues Act (Economic Aid Act) enacted on December 27, 2020, SBA has provided written notification to 7(a), 504 and Microloan borrowers of their eligibility for debt relief payments under Section 1112 of the CARES Act (“Section 1112 payments”).

In this letter, SBA provided current borrowers with an overview of the assistance available under Section 1112, including which loans are eligible to receive the Section 1112 payments and the number of months for which that loan may receive the payments. The letter also informed the borrower about how to seek assistance from the lender or SBA if the eligible borrower has not received assistance for a covered loan and provided guidance on how to request loan deferment once subsidy payments under section 1112 are concluded, if needed.

Letters have been sent to those borrowers that had loans approved up until September 27, 2020 that are eligible for the Section 1112 payments. Some of these borrowers may have already received assistance from SBA over the past year under Section 1112 of the CARES Act, and the letter informed these borrowers of the additional assistance for which they may be eligible.

The updated criteria for eligible covered loans are detailed in [Procedural Notice 5000-20079-Guidance on the Implementation of the Extension of the Section 1112 Debt Relief Program for the 7\(a\) and 504 Loan Programs, as Authorized by Section 325 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act issued on January 19, 2021](#) and [Procedural Notice 5000-20080 for the Microloan Program](#).

Letters were not sent to borrowers that had loans approved between September 28, 2020 and the date of the letter, as those loans are currently not eligible to receive debt relief under current law.

A sample copy of the letter sent to all borrowers has been posted on SBA's website at <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/sba-debt-relief#section-header-4>.

All Section 1112 debt relief is subject to funds availability provided by Congress. If SBA determines that there will be a funding shortfall, SBA will provide Congress with a plan that reduces the timeline for making debt relief payments and provide notification to all SBA participants.

Questions

Questions on this Notice may be directed to the Lender Relations Specialists in the local SBA Field office. The local SBA Field office may be found at <https://www.sba.gov/tools/local-assistance/districtoffices>.

Dianna L. Seaborn
Director
Office of Financial Assistance