



SBA Information Notice

TO: All SBA Employees and 7(a) Lenders

CONTROL NO.: 5000-857390

SUBJECT: SBA Form 1919 Updated for Criminal Justice Reviews Final Rule

EFFECTIVE: July 12, 2024

The purpose of this Notice is to announce an update to SBA Form 1919, “SBA 7(a) Borrower Information Form”.

On September 15, 2023, SBA published a Notice of Proposed Rulemaking (NPRM) in the Federal Register ([88 FR 63534](#)) with a 60-day comment period. The NPRM announced SBA’s intention to amend SBA’s regulations on the criminal background review of applicants.

On April 30, 2024, Federal Register Notice ([89 FR 34094](#)) Criminal Justice Reviews for the SBA Business Loan Programs, Disaster Loan Programs, and Surety Bond Guaranty Program (Rule) was published, amending regulations governing SBA’s business loan programs for criminal background reviews effective May 30, 2024. For the 7(a) Loan Program, the relevant regulation amended is 13 CFR [120.110\(n\)](#).

Before the rule change, the language at 13 CFR 120.110(n) stated that a business is ineligible for a 7(a) loan if the business has an Associate who is incarcerated, on probation, on parole, or is under indictment for a felony or any crime involving or relating to financial misconduct or a false statement.

On the effective date of the Rule, 13 CFR 120.110(n) is amended to state that a business is ineligible for a 7(a) loan if the business has an Associate who is currently incarcerated, serving a sentence of imprisonment imposed upon adjudication of guilty, or is under indictment for a felony or any crime involving or relating to financial misconduct or a false statement.

The phrase “serving a sentence of imprisonment imposed upon adjudication of guilty” means a person is serving a sentence for a crime for which they have been found guilty. It includes people on house arrest, work release, or similar programs. It does not include a person who is detained but not yet convicted, such as people in jail pending trial; however, these individuals would be ineligible if they are under indictment for a felony or any crime involving or relating to financial misconduct or a false statement.

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EXPIRES: 7/1/25

SBA Form 1353.3 (4-93) MS Word Edition; previous editions obsolete

Must be accompanied by SBA Form 58

This Rule only changes SBA's minimum background check requirements. The Rule revision does not impact a Lender's ability to conduct a criminal history background check, following their own policies, provided they do so in a manner that complies with the Equal Credit Opportunity Act and other relevant laws and does not result in an unjustified discriminatory effect on a protected class group. Lenders can continue to deny loans, for example, where criminal history, when considered along with other information, presents an unacceptable credit risk.

As a result of the Rule, question 4 on SBA Form 1919, regarding the prior criminal history of the Applicant or an Associate of the Applicant has been revised to state, "Is the Applicant or any Associate of the Applicant currently incarcerated, serving a sentence of imprisonment imposed upon adjudication of guilty, or is under indictment for a felony or any crime involving or relating to financial misconduct or a false statement? *(if "Yes" the Applicant is not eligible for SBA financial assistance.)*".

Any business that checks "yes" to question 4 is ineligible. Because this is a regulatory requirement, there is no opportunity for a request for a waiver or exception to policy.

SBA also added a borrower certification to page 4 that authorizes SBA to release information about existing SBA loans to the Lender processing the loan application to assist with compliance check codes.

The new expiration date for the form is June 30, 2027.

Lenders may download the revised SBA Form 1919 from SBA's [website](#). The revised form may be used immediately; however, SBA will allow a 30-day grace period for 7(a) Lenders to begin using the revised form.

Questions

Questions concerning this Notice may be directed to the Lender Relations Specialist in the [local SBA Field Office](#).

Kathryn Frost
Associate Administrator
Office of Capital Access