



THE LENDER'S ADVANTAGE

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South Dakota District Office Lender Information – FY 2016

Capital Access Financial System (CAFS) – The New Home of E-TRAN

If you have not been into the Capital Access Financial System (ETRAN) for a while, the format has changed. Take the time to login and view the new changes. Link https://caweb.sba.gov/cls/dsp_login.cfm if your account is inactive, check with your financial institution's authorizing official or email cls@sba.gov with your Financial Institutions name and location ID to get active status. The authorizing official is a security step which is needed for submission of new applications for the SBA loan guaranty programs. If you need to enroll for the first time, follow the instructions on website or call **David Puls at 605.330.4243 ext. 13** or email David.Puls@sba.gov for assistance.

Capital Access Financial System is the home of **SBA One**. **SBA One** is a new single platform system designed to provide easier 7(a) Loan lifecycle processing. Lenders will be able to originate SBA Express and Standard 7(a) Loans. Clear prompts guide you from step to step of the application process. The **SBA One** system:

- It makes sure you've uploaded the correct documents.
- It auto populates information that has been previously entered.
- It generates the correct forms based on your borrower's situation.
- It allows electronic signatures for easier loan closings.
- It even generates an eligibility "decision tree" to help inform your final judgment.

Effective July 31, 2016, SBA One will be required for delegated authority lenders (Preferred Lenders Program (PLP)) on their loan application submissions to the Loan Guaranty Processing Center.

Fee Waiver for loans under \$150,000 extended to September 30, 2016

SBA Information Notice # 5000-1352 announces the extension of the fee waiver to September 30, 2016 on the annual ongoing service fee for lenders and the upfront guaranty for borrowers for loans of \$150,000 or less. Also for loans over \$150,000 approved during FY 2016, the ongoing servicing fee has been lowered from .519 percent (51.9 basis points) to .473 percent (47.3 basis points). For 504 loans, the one-time guaranty fee that SBA is authorized to charge 504 borrowers will be reduced to zero in FY2016. The annual fee is reduced to .914 percent (91.4 basis points) of the outstanding balance of the loan.

SBA Information Notice #5000-1354 announces the renewal of veteran owned business fee relief for 7(a) loans (other than SBA Express) on the upfront guaranty fee on loans \$150,001 up to and including \$5,000,000 approved to qualified veteran small business owners will be reduced by 50%. Note: No reduction in the ongoing lender servicing fee for 7(a) loans over \$150,000.

SBA Information Notice #5000-1356 announces the veteran owned business renewal of the fee waiver on SBA Express loans (only) approved on or after October 1, 2015 through September 30, 2016 to businesses owned by a veteran and/or the spouse of a veteran, the up-front guaranty fee will be zero. No reduction in the ongoing lender servicing fee for 7(a) loans over \$150,000. As in Notice #5000-1354, in order to qualify for this fee waiver, businesses be 51% or more owned and controlled by an individual or individuals in one or more of the groups listed below:

- Veterans (other than dishonorably discharged);
- Service-Disabled Veterans;
- Active Duty Military service member participating in the military's Transition Assistance Program (TAP);
- Reservists and National Guard Members; or
- Current spouse of any Veteran, Active Duty service member, or any Reservist or National Guard member; or widowed spouse of a service member who died while in service or of a service-connected disability.

Lenders must document the loan file for eligibility.

SBA Information Notice #5000-1356 (continued)

Additionally, SBA Information Notice #5000-1356 amends the “credit elsewhere” rules. Effective on or after October 1, 2015, SBA may not guarantee a 7 (a) loan if the lender determines that the borrower is unable to obtain credit elsewhere solely on either of the following factors:

- The liquidity of the lender depends upon the guaranteed portion of the loan being sold on the secondary market; or
- The guaranty is to allow the lender to exceed its legal lending limit.

SBA Information Notice #5000-1358 issued November 23, 2015 announces the issuance of SOP 50 57 2. The SOP is the new 7(a) Loan Servicing and Liquidation guidelines for SBA Guaranty Loans.

SBA Information Notice #5000-1359 issued November 25, 2016 announces the revision of the IRS form 4506-T is available. The SBA logo on the form provides expedited service on your submissions to the IRS.

SBA Information Notice #5000-1372 issued January 8, 2016 announces the issuance of a new updated SBA Express/ Export Express Loan Authorization.

SBA Information Notice #5000-1376 issued March 25, 2016 reminds lenders of SBA Loan Requirements about Lenders determination of a borrower’s ability to obtain credit without a government guaranty known as the credit unavailable elsewhere rule. SBA requires lenders to identify, discuss and retain in each credit file the specific credit weaknesses(s) that substantiate the need for requesting the SBA loan guaranty and that small business applicant may not receive financing elsewhere without the guaranty. Acceptable factors are located in the SOP 5010 5 (H).

SBA Information Notice #5000-1379 announces the availability of the option of submitting SBA Form 159 (7a) electronically through SBA One.

SBA Information Notice #5000-1382 dated May 26, 2016 announced the Reauthorization of the 504 Refinance Program. Now, eligible small business owners now have more options to refinance eligible fixed assets and business expenses through the Small Business Administration (SBA) 504 Refinance Program. This change will help small business owners ease their financial burdens and create incentives for potential expansion and further job creation. SBA will begin accepting applications from small business owners effective June 24, 2016.

SBA Information Notice #5000-1388 announced new Regulations Governing Affiliation for SBA Business Loan, Disaster Loan, and Surety Bond Guarantee Programs. On June 27, 2016, SBA published a final rule that amends the regulations determining size eligibility of small businesses based on affiliation. (81 FR 41423) This modification streamlines, separates, and distinguishes the rules for small business applicants in the Business Loan, Disaster Loan and Surety Bond Guarantee Programs (“SBG”) from the rules for government contracting, business development and other programs.

If you have any questions or concerns, please contact the South Dakota District Office:

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