



SBA Policy Notice

TO: All SBA Employees

CONTROL NO.: 5000-1375

SUBJECT: FY 2016 Updated Fee Schedule for
SBA Oversight of 7(a) Lenders

EFFECTIVE: 3/23/2016

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 currently charges 7(a) Lenders fees for 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; (2) Analytical Reviews; (3) Targeted Reviews; (4) Full Reviews; and (5) Delegated Authority Reviews. SBA may also determine on a case-by-case basis to assess fees for Other Reviews.

The Lender Profile Assessment (LPA) is the first level of review, and is a virtual review that uses the L/LMS and other metrics. SBA may use the LPA to assist in determining the next level of review, if any, and in connection with Delegated Authority Reviews. All 7(a) Lenders are charged a fee to cover the costs for L/LMS, the LPA, and Other Lender Oversight Activities (e.g., contractor technical assistance and analytics to support the monitoring and review program). These fees are based on SBA's contractor's costs and are assessed annually based on each 7(a) Lender's portion of the total dollar amount of 7(a) guarantees in SBA's portfolio as of the end of the prior fiscal year. For FY 2016, these fees will be approximately \$128 for every \$1 million in 7(a) guaranteed dollars a 7(a) Lender has outstanding.

In addition, all 7(a) Lenders with delegated authority are charged a fee to cover the costs of Delegated Authority Reviews. This fee is based on SBA's contractor's costs 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. For FY 2016, this fee will be approximately \$20 for every \$1 million in 7(a) guaranteed dollars a delegated Lender has outstanding, which is unchanged from FY 2015.

Updated Fee Schedule

The Fee Schedule below updates the fees that SBA will charge 7(a) Lenders to cover the costs of the L/LMS, the LPA and Other Lender Oversight Activities, and Delegated Authority Reviews, during Fiscal Year 2016 (October 1, 2015 to September 30, 2016). SBA will bill each Lender for the amount owed on an annual basis. All other review fees set forth in Policy Notice

EXPIRES: 3/1/2017

PAGE 1 of 2

5000-1332, “Revised Risk-Based Review Protocol for SBA Operations of Federally Regulated 7(a) Lenders”(December 29, 2014), remain unchanged.

<i>Charge per \$ Million</i>	<i>Previous Fees</i>	<i>Revised Fees</i>
L/LMS, LPA, and Other Lender Oversight Activities (For non-delegated lenders)	\$135.84	\$127.84
L/LMS, LPA, Other Lender Oversight Activities, and Delegated Authority Review (For delegated lenders)	\$159.79	\$148.02

In addition to Policy Notice 5000-1332, SBA also issued Procedural Notice 5000-1351 on September 11, 2015, “PARRiS Risk-Based Review – Revised Terminology” which revised the terminology for the three PARRiS scores used in the Risk-Based Review protocol for Federally-regulated 7(a) Lenders. Except as revised by this Notice, Policy Notice 5000-1332 and Procedural Notice 5000-1351 remain unchanged and continue to be in effect.

Questions

Questions may be directed to Adrienne Grierson, Deputy Director, Office of Credit Risk Management at Lender.Oversight@sba.gov.

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Administrator