



SBA Information Notice

TO: All SBA Employees

CONTROL NO.: 5000-20053

SUBJECT: 1st Quarter "Peg" Rate, Direct Interest Rate and Maximum Interest Rate of a Third Party Lender Loan for a 504 Project

EFFECTIVE: 9/29/2020

The interest rate on Section 7(a) Direct Business Loans is 1.875 percent (1.875%) for the fiscal quarter beginning October 1, 2020. (Information only – no direct funds available at this time.) The optional peg rate for fluctuating interest rates on guaranty loans is 0.88 percent (0.88%) for the October – December quarter of FY 2021.

Pursuant to 13 CFR 120.921(b), the maximum legal interest rate for any third party lender's commercial loan which funds any portion of the cost of a 504 project (see 13 CFR 120.801) shall be 6% over the New York Prime rate or, if that exceeds the maximum interest rate permitted by the constitution or laws of a given State, the maximum interest rate will be the rate permitted by the constitution or laws of the given State.

Dianna L. Seaborn
Director
Office of Financial Assistance

EXPIRES: 9-1-21

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

Must be accompanied by SBA Form 58