



SBA Information Notice

TO: All SBA Employees and 7(a) Lenders

CONTROL NO.: 5000-19026

SUBJECT: 7(a) Fees Effective for the Period
December 21, 2019 through September 30, 2020

EFFECTIVE: 12/26/2019

Each year SBA reviews certain fees payable to SBA by 7(a) Lenders (“Lenders”) and borrowers to determine the appropriate amount required to cover the estimated costs of the 7(a) loan program. This Notice announces the annual service fee (also known as the “on-going guaranty fee”) and the upfront guaranty fee for all 7(a) loans approved from December 21, 2019, through September 30, 2020.

Because the 7(a) guaranteed loan program is operating with a subsidy in FY 2020, SBA is unable to provide any upfront guaranty fee relief, including veteran-owned small business fee relief under SBA Express, or annual service fee relief for any 7(a) loans approved through September 30, 2020.

Annual Service and Upfront Guaranty Fees for All 7(a) Loans.

The following fees are effective for all 7(a) loans approved December 21, 2019, through September 30, 2020:

- 1) The annual service fee will be 0.55% (55 basis points) of the guaranteed portion of the outstanding balance of the loan. Lenders must manually adjust this fee in the current Authorization Wizard.
- 2) The upfront guaranty fee will continue to depend on the loan amount and the maturity of the loan.
 - a) For loans with a maturity that exceeds 12 months, the fees are:
 - i) For loans of \$150,000 or less: 2% of the guaranteed portion. Lenders may continue to retain no more than 25% of this fee (i.e., at least 1.5% must be remitted to SBA).
 - ii) For loans of \$150,001 to \$700,000: 3% of the guaranteed portion.
 - iii) For loans of \$700,001 to \$5,000,000: 3.5% of the guaranteed portion up to \$1,000,000, plus 3.75% of the guaranteed portion over \$1,000,000.
 - b) For loans with a maturity of 12 months or less, the fee is 0.25% of the guaranteed portion.

When two or more SBA-guaranteed loans are approved within 90 days of each other, the guaranty percentage and upfront guaranty fee are determined based on the aggregate amount of the loans. Lenders are not permitted to split loans for the purpose of avoiding fees. This represents no change to current policy.

For specific guidance on when all 7(a) loan fees are due, see SOP 50 10 5(K), Subpart B, Chapter 3, Paragraph V.B.

Questions concerning this Notice should be directed to the Lender Relations Specialist in the local SBA Field Office. The local SBA Field Office may be found on the [Local Assistance Page](#) of SBA's website.

Dianna L. Seaborn
Director
Office of Financial Assistance