



SBA Information Notice

TO: All SBA Employees

CONTROL NO.: 5000-19027

SUBJECT: 2nd Quarter “Peg” Rate, Direct Interest and Maximum Interest Rate of a Third Party Lender Loan for a 504 Project

EFFECTIVE: December 31, 2019

The interest rate on Section 7(a) Direct Business Loans is 3 percent (3.00%) for the fiscal quarter beginning January 1, 2020. (Information only – no direct funds available at this time.)

The optional peg rate for fluctuating interest rates on guaranty loans is 1.88 percent (1.88%) for the January – March quarter of FY 2020.

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
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