



SBA Information Notice

TO: All SBA Employees

CONTROL NO.: 5000-1393

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

EFFECTIVE: September 28, 2016

The interest rate on Section 7(a) Direct Business Loans is 3 1/8 percent (3.125%) for the fiscal quarter beginning October 1, 2016. (Information only – no direct funds available at this time.)

The optional peg rate for fluctuating interest rates on guaranty loans is 1.75 percent (1.75%) for the October - December quarter of FY 2017.

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.

Linda T. Reilly
Acting Director
Office of Financial Assistance

EXPIRES: 9/1/17

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SBA Form 1353.3 (4-93) MS Word Edition; previous editions obsolete
Must be accompanied by SBA Form 58