

SBA Information Notice

TO: All SBA Employees

CONTROL NO.: 5000-1344

SUBJECT: 7(a) Loan Program Authorization
Level

EFFECTIVE: 7-22-2015

In recent months, SBA's 7(a) program has experienced unprecedented demand from America's small business community. SBA has already approved over 45,000 loans this year totaling more than \$16.5 billion, a 25 percent increase over this same period last year. At this rate of usage, the program will hit its FY 2015 loan volume ceiling of \$18.75 billion before the end of the fiscal year and likely within the next few days. Once this statutory cap is reached, SBA will be forced to suspend its 7(a) small business lending until the start of the new fiscal year on October 1, 2015, unless the 7(a) loan authority is increased.

SBA recognizes that any lapse in the 7(a) loan program would impact thousands of entrepreneurs and businesses who rely on the program to overcome their inability to otherwise secure the credit necessary to start or expand their business. SBA is working with Congress to avoid a suspension by raising the statutory loan cap, but there can be no assurance as to the timing or likelihood of a legislative solution.

Accordingly, SBA is providing information in anticipation of the end of the availability of 7(a) loan authority. Applications will be processed up to the point of approval and then will be placed into a queue awaiting the availability of program authority (the "Queue"). Once program authority becomes available due to Congressional action or as a result of cancellations of loans previously approved this fiscal year, applications in the Queue will be funded in the order they were approved by SBA, with the exception that requests for increases to previously approved loans will be funded before applications for new loans.

There is sufficient program authority to fund loans already accepted for processing by SBA's Loan Guaranty Processing Center. Applications submitted under delegated and non-delegated processes after the date of this Notice will be placed in the same Queue. Applications placed in the Queue awaiting the availability of program level may experience significant delays and may not be funded until on or after October 1.

The Certified Development Company (504) Program continues to have available capacity to fund 504-eligible loans through the end of the fiscal year.

SBA Field Offices must notify lenders about this Notice. 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 at www.sba.gov/localresources.

Ann Marie Mehlum

EXPIRES: 7-1-2016

Page 1 of 1

Associate Administrator for Capital Access

EXPIRES: 7-1-2016

Page 1 of 1

SBA Form 1353.3 (4-93) MS word Edition; pervious obsolete
Must be accompanied by SBA Form 58