



SBA Information Notice

TO: All SBA Employees

CONTROL NO.: 5000-1347

SUBJECT: Microloan Program Expanded
Eligibility and Other Program
Changes

EFFECTIVE: July 31, 2015

The purpose of this notice is to inform SBA employees that the SBA Final Rule: Microloan Program Expanded Eligibility and Other Program Changes (RIN 3245- AG53) was published in the Federal Register on Monday, June 15, 2015 and went into effect on July 15, 2015. (To view the Final Rule, follow this link:

<https://www.federalregister.gov/articles/2015/06/15/2015-14413/microloan-program-expanded-eligibility-and-other-program-changes#h-5>).

This rule increases the minimum microloan production standards gradually over a three-year period, removes the requirement that Microloan Program Intermediaries (Intermediaries) deposit funds only in interest bearing accounts, allows Intermediaries to use credit unions as depositories for their Microloan Revolving Fund (MRF) and Loan Loss Reserve Fund (LLRF) accounts, and revises program eligibility requirements to expand the pool of eligible micro borrowers.

SBA revised the Microloan Program eligibility requirements as a result of SBA's participation on the Federal Interagency Reentry Council (<http://csgjusticecenter.org/nrrc/projects/firc/>). The rule allows Intermediaries who choose to do so to expand the pool of eligible micro borrowers to include businesses with owners or Associates of the business that are currently on probation or parole, except for certain crimes as defined in the rule. This eligibility expansion will aid individuals with the highest barriers to traditional employment and reduce recidivism.

Notification and Questions:

SBA field offices are responsible for notifying their participants about the changes outlined in this Notice. SBA field offices with questions on this Notice may direct them to Daniel Upham at Daniel.Upham@sba.gov in the Microenterprise Development Division within the Office of Economic Opportunity. Lenders are directed to forward questions to their Financial Analyst.

Ann Marie Mehlum
Associate Administrator
Office of Capital Access

EXPIRES: 7/1/16

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Must be accompanied by SBA Form 58