



SBA Information Notice

TO: All SBA Employees

CONTROL NO.: 5000-1376

SUBJECT: 7(a) Loan Program Clarification –
Credit Unavailable Elsewhere
Requirement

EFFECTIVE: 3/25/16

This Notice reminds SBA 7(a) Lenders of existing SBA Loan Program Requirements about the lender's determination of a borrower's ability to obtain credit without a government guaranty (known as the "credit unavailable elsewhere" requirement).

The 7(a) loan program provides credit to viable small businesses that cannot obtain financing elsewhere on reasonable terms. SBA requires lenders to identify, discuss and retain in each credit file the specific credit weaknesses(s) that substantiate this "credit unavailable elsewhere" eligibility requirement. SBA reminds all lenders of the importance of this eligibility determination in every 7(a) loan. Examples of acceptable factors that substantiate this are provided in SOP 50 10 5(H).

SBA also reminds 7(a) Lenders that these factors have been revised effective October 1, 2015 to remove two factors which relate to lender liquidity and lender legal lending limits. (Veteran's Entrepreneurship Act of 2015, Public Law 114-38, 109 Stat. 438, July 28, 2015) Additionally, see SBA [Information Notice 5000-1356, dated October 1, 2015.](#)

Notification and Questions

SBA field offices must notify all 7(a) lenders regarding 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/about-offices-list/2.

Ann Marie Mehlum
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Office of Capital Access

EXPIRES: 03/01/17

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