



SBA Policy Notice

TO: All SBA Employees and 7(a) Lenders	CONTROL NO.: 5000-4020
SUBJECT: Rescission of Notice SBA 7(a) Lender Mission Rating	EFFECTIVE: August 24, 2017

On January 4, 2017, SBA issued Policy Notice 5000-1393 proposing to implement a newly-developed rating scorecard methodology for 7 (a) Lenders known as the SBA Advantage (7(a)) Lender “Mission Rating.” The purpose of this Notice is to rescind SBA Policy Notice 5000-1393.

After further review of the data used to develop the “Mission Rating” scorecard methodology, SBA has determined that the data used for the proposed scorecard and benchmarks are not sufficiently reliable and robust for the context and performance analysis that SBA intended. The scorecard and benchmarks use data that are collected on a voluntary basis (i.e., loan applicants are not required to provide the information and over 10% choose not to do so), for a limited purpose (i.e., SBA reporting only), and has not been validated by any testing. SBA has concluded that it is not appropriate for SBA to assess lenders using such data.

SBA continues to explore ways to encourage 7(a) Lenders to further SBA’s mission to expand access to capital for all small businesses, including those in underserved/emerging areas. SBA is working to expand participation in the program by credit unions and other community or mission-based lenders. SBA will also continue to monitor and assess the Community Advantage Pilot Program, which is specifically targeted to small businesses in underserved markets, to determine whether the program should be made permanent. The SBA loan programs remain critical to boost the supply of small business loans for small business owners who cannot access conventional credit.

Linda E. McMahon
Administrator

EXPIRES: 8/01/2018

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SBA Form 1353.1 (12-93) MS Word Edition; previous editions obsolete
Must be accompanied by SBA Form 58