



SBA Information Notice

TO: All SBA Employees

CONTROL NO.: 5000-1172

SUBJECT: 7(a) and 504 Fees Effective On
October 1, 2010

EFFECTIVE: 9/28/2010

Each year SBA reviews the fees payable to SBA by 7(a) participating lenders (Lenders), Certified Development Companies (CDCs), and borrowers to determine if they are sufficient to cover the estimated costs of the 7(a) and 504 loan programs. The purpose of this Notice is to announce the fees effective October 1, 2010, for 7(a) and 504 loans approved during FY 2011.

7(a) Loan Program

For 7(a) loans approved on or after October 1, 2010, the “Yearly Fee” due from Lenders to SBA will be 0.55 percent (55 basis points) of the guaranteed portion of the outstanding balance on the 7(a) loan. This fee remains the same as for FY 2010. The 7(a) Yearly Fee is imposed under Section 7(a)(23) of the Small Business Act and is referred to as the “ongoing servicing fee” in the 7(a) Authorization Wizard.

The fee relief afforded under Section 501 of the American Recovery and Reinvestment Act of 2009 has been extended through December 31, 2010 by the Small Business Jobs Act of 2010. This means that on all 7(a) loans approved from October 1, 2010 through December 31, 2010 the upfront guaranty fee payable to SBA will be eliminated. All other fees in the 7(a) loan program will be the same as for FY 2010. A description of these fees may be found in [SOP 50 10 5\(C\)](#).

504 Loan Program

For 504 loans approved on or after October 1, 2010, the “Annual Fee” paid by borrowers on an ongoing basis to SBA will be increased from 0.389 percent to 0.749 percent (74.9 basis points) of the outstanding balance of the 504 loan. The 504 Annual Fee is imposed under Section 503(b)(7) of the Small Business Investment Act.

The fee relief afforded under Section 501 of the American Recovery and Reinvestment Act of 2009 has been extended through December 31, 2010 by the Small Business Jobs Act of 2010. This means that on all 504 loans approved from October 1, 2010 through December 31, 2010 the Third Party Participation fee and the CDC Processing fee will be eliminated. SBA will continue to reimburse CDCs for the CDC Processing Fee. All other fees in the 504 loan program will be the same as for FY 2010, including the one-time guaranty fee that SBA is authorized to charge under Section 503(d)(1) of the Small Business Investment Act (which remains at zero). A description of these fees may be found in [SOP 50 10 5\(C\)](#).

EXPIRES: 9/1/2011

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

Notification and Questions

These fee changes are effective for FY 2011, unless superseded by another Information Notice. SBA field offices must notify Lenders and CDCs of these changes.

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.

Eric R. Zarnikow
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Office of Capital Access