



SBA Information Notice

TO: All SBA Employees

CONTROL NO.: 5000-1184

SUBJECT: Small Business Jobs Act of 2010:
Changes to the Microloan Program

EFFECTIVE: 10-21-2010

On September 27, 2010, President Obama signed the Small Business Jobs Act of 2010 (the “Small Business Jobs Act”) (Pub. L. 111-240).

The Small Business Jobs Act makes significant changes to the amounts that a small business may borrow through the microloan program. These changes are permanent. The purpose of this Notice is to provide a description of the changes.

Loan Limit Changes in the Microloan Program

The maximum amount for which a microloan may be approved by a microloan intermediary is now \$50,000 (an increase from \$35,000). As a result:

- The maximum amount of a multi-party financing that includes a microloan may now be up to \$150,000 (an increase from \$105,000).
- The microloan is still limited to 1/3 of the financing under such an arrangement.

The maximum outstanding amount that a single intermediary may owe the SBA under the Microloan Program—as a result of multiple loans—has been increased to \$5 million (an increase from \$3.5 million). Note that the maximum amount for an individual SBA loan to an intermediary remains \$750,000.

Other Provisions in the Small Business Jobs Act

The Small Business Jobs Act allows program participants to request waivers of matching fund requirements and outlines circumstances under which a waiver request may be considered. SBA is currently developing the processes under which program participants will be able to request waivers, and the specific parameters under which the agency will make determinations regarding waiver requests. We expect to issue a separate Notice regarding such waivers within the next two months.

Further guidance will be issued about other aspects of the Small Business Jobs Act of 2010 as appropriate. Questions regarding this Information Notice should be addressed to Jody Raskind, Chief, Microenterprise Development Branch, via e-mail at Jody.Raskind@sba.gov.

Grady B. Hedgespeth
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EXPIRES: 10-1-2011

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