



SBA Information Notice

TO: All Employees

CONTROL NO.: 5000-1192

SUBJECT: Expiration of Temporary Small
Business Jobs Act Loan
Enhancements and Re-activation of
the Loan Queues

EFFECTIVE: 1/4/2011

The U.S. Small Business Administration (SBA) has finalized plans for transitioning from SBA loans with temporary enhancements provided under the Small Business Jobs Act of 2010 (“Small Business Jobs Act”) to SBA loans with applicable fees and guaranty percentages.

SBA Information Notice 5000-1190 announced the extension of SBA’s authority to provide fee relief for new 7(a) and 504 loans and a higher guaranty on eligible 7(a) loans through March 4, 2011. This notice also explained that no additional appropriations for the loan enhancements were anticipated and that due to an unprecedented increase in loan applications and approvals, appropriations were expected to be exhausted by December 31, 2010.

The Small Business Jobs Act appropriations are now exhausted. All 7(a) and 504 loan applications as well as requests for increases are being processed up to the point of approval and then placed into loan queues (“Small Business Jobs Act Loan Queues”). These conditionally approved applications and requests for increases will be finally approved by SBA (as evidenced by the issuance of an SBA loan number) as funds become available. Funds periodically become available when previously-approved 7(a) and 504 Small Business Jobs Act loans are cancelled, thus freeing up the appropriations allocated to those loans. At any time while waiting in the Small Business Jobs Act Loan Queue, an applicant may choose to withdraw its application from the queue and re-submit it as a non-Small Business Jobs Act loan with applicable fees and guaranty percentages.

In addition, based on the number of conditionally approved applications and requests for increases that are already in the Small Business Jobs Act Loan Queues, the anticipated demand, and the projected cancellation rate, SBA will no longer accept Small Business Jobs Act loan applications (both delegated and non-delegated submissions) or requests for increases to previously approved Small Business Jobs Act loans after 11 p.m. Eastern Standard Time on the date of this notice.

For Small Business Jobs Act loan applications received by SBA after this deadline, SBA will contact the lender or CDC as to whether the lender or CDC wants SBA to process the application as a non-Small Business Jobs Act loan with applicable fees and guaranty percentages or to withdraw the loan application entirely.

For requests for increases to previously approved Small Business Jobs Act loans received by SBA after this deadline, SBA will notify the lender or CDC that the request needs to be submitted as a new non-Small Business Jobs Act loan application with applicable fees and guaranty percentages.

EXPIRES: 1/1/2012

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Information on the Small Business Jobs Act Loan Queues is available at <http://www.sba.gov/queue>.

SBA Field Offices will advise 7(a) lenders and CDCs of 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/localresources.

Grady B. Hedgespeth
Director, Office of Financial Assistance