



U.S. Small Business  
Administration

## The New SBA Lender Decal Is Here

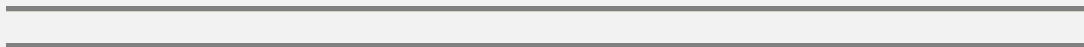
*Contact your Lender Relations Specialist and order yours today!*



The SBA has updated their branding and created a new logo exclusively for use by SBA lenders. New decals are now available through the SBA Indiana District Office. Old SBA logos should be removed immediately and replaced with new versions. Please notify the Indiana District SBA Office if you need new window cling decals or would like additional ones for lender use.

Lenders may also download the Lender Decal as a web-icon (for placement on lender websites). Click below to go to the web page.

[Electronic Lender Decal](#)



# Lender Program Policy Updates and Information Notices

The **Lender Portal** has been updated to include supplementary quantitative information and analysis that is used by the Office of Credit and Risk Management (OCRM) for oversight and monitoring. For additional information, please refer to [SBA Notice 5000-180007](#).

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The **7(a) Loan Program** has undergone several updates and clarifications. They are as follows:

## ***--Required 10% equity injection***

The latest [Standard Operating Procedures \(SOP\) 50-10-5J](#) now requires the 7(a) loan program (loans of \$350,000 and greater) and the 7(a) small loan program (loans up to \$350,000 – credit scored program) a 10% minimum equity injection of the total project costs. The 10% equity injection can be either a cash injection or 10% of the total assets.

A seller's note can contribute a maximum of 5% of the required 10% equity injection as long as the seller's note is on FULL STANDBY FOR THE LIFE OF THE SBA LOAN.

Sources of an equity injection can be any of the following:

1. Cash that is not borrowed.
2. Cash that is borrowed through a personal loan to the business which is paid from resources other than the business cash flow. This option MUST be processed through the SBA Loan Processing Center – cannot use a delegated authority.
3. Assets other than cash. Appraisal or third party valuation is required if the fixed assets are greater than the depreciated value (net book value). Valuations provided as part of the business valuation will not meet these requirements.
4. Standby debt is only eligible if it is on FULL STANDBY (no payments of principal or interest) for the life of the SBA loan. A copy of the note and standby agreement must be provided.

If the contribution is through a "gift", a copy of the gift letter along with a statement from the borrowers' account showing the funds were deposited is required. IT IS NOT REQUIRED TO VERIFY THE GIFT OR'S TAXES WITH AN IRS 4506-T.

***--SBA Express and Export Express do not have a 10% equity injection***

The credit decision for SBA Express and Export Express loans, including how much to factor in a past bankruptcy or whether to require an equity injection, is left to the business judgement of the lender.

### **--Release of Collateral**

Release of collateral is a unilateral servicing action available to all lenders. The [7\(a\) Lender Servicing Matrix](#) has been updated. The newest version can be located in the "NEWS" section on the Capital Access Financial System (CAFS) log in page.

When processing a request for release of collateral, the loan file must contain a collateral analysis along with a business cash flow analysis. Lenders may also substitute collateral of the same like or kind (comparable value and useful life). If the file does NOT contain documentation and analysis of the action and the loan is liquidated, a repair or denial of the SBA guaranty could occur.

When collateral has been released and the borrower later wants to refinance their SBA loan, the new loan must be secured with the same collateral and lien position as the debt being refinanced at the time of the refinance application. If the loan is considered over collateralized and the SBA loan will remain fully secured, the lender may approve the release of excess collateral.

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## [FY 2018 Loan Approvals -- June](#)

[Click here](#)

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