



News Release

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SBA Revises Standard Operating Procedure; Makes it Easier for Lenders to Refinance Existing Lines of Credit

WASHINGTON – The U.S. Small Business Administration today released the first revision to its procedural guidance governing lender participation and loan processing for the two SBA major loan guarantee programs: 7(a) and 504.

The revisions to the Standard Operating Procedure 50 10 (5) reflect suggestions made by participating lenders and includes a modification to SBA's policy on refinancing existing lines of credit. The change will make it easier for lenders to use the 7(a) loan guarantee program to refinance an existing line of credit, especially as a part of a complete refinancing of a small business borrower's debt.

The revision will be known as SOP 50 10 (5A) and will be effective for loans approved on or after March 1, 2009.

Last August, the SBA implemented the first major overhaul to SOP 50 10 in ten years, which included streamlining it from 1,000 pages to 400 and making it more logically organized and user friendly. As a part of the overhaul, the SOP was converted into an electronic document using hyperlinks to take users to relevant regulations and forms.

The agency made a commitment to update the document semi-annually. This commitment reflects the dynamic nature of the small business environment and the need to keep SBA policies and procedures current.

For more information about all of the SBA's programs for small businesses, call the SBA Answer Desk at 1-800 U ASK SBA or TDD 704-344-6640, or visit the SBA's Web site at <http://www.sba.gov>.

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