



News Release

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SBA Announces New Lender Oversight Regulations

WASHINGTON – Today the U.S. Small Business Administration issued an interim final rule for new lender oversight regulations in its guaranteed loan program. The regulations, which take effect on January 12th, give SBA greater enforcement authority and increase transparency on how risk is evaluated.

The interim final rule codifies a new framework for SBA's lender oversight program to ensure that directions are clear and transparent to lenders and the public. It clarifies supervision and enforcement actions for all SBA lenders and partners including banks, Small Business Lending Companies, Certified Development Companies, Microloan Intermediaries, and the SBA's National Technical Assistance Providers network

"As the economy continues to face challenges, government accountability and transparency is essential," said SBA Acting Administrator Sandy K. Baruah. "With the new lender oversight regulation, SBA is making a commitment to balancing the need for supervision with the flexibility to achieve our mission of providing capital to small businesses."

SBA first published the proposed lender oversight regulations in October 2007. In response, the agency received nearly 300 public comments and met with lenders to address key issues. SBA took these comments seriously and revised the regulation. By implementing the changes as an interim final rule, SBA is responding to the market's need for increased oversight, yet still leaving the door open for additional public comment.

"Given the difficult economy, SBA must do whatever it can to protect small businesses and the nation's taxpayers from unnecessary risk," said Baruah. "With improved oversight, SBA is taking action to reduce the potential for waste, fraud, and abuse in its loan programs."

For more information on the interim final rule or to share your comments, visit www.regulations.gov. To learn more about SBA's guaranteed loan programs, visit www.sba.gov.

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