



SBA Information Notice

TO: All SBA Employees and Certified
Development Companies

CONTROL NO.: 5000-20045

SUBJECT: 504 Fees Effective During Fiscal Year
2021

EFFECTIVE: September 15, 2020

Each year SBA reviews certain fees payable to SBA by 504 borrowers to determine if any of those fees need to be adjusted to cover the estimated subsidy costs of the 504 loan program.¹ This Notice announces the FY2021 annual service fee (also known as the “on-going guaranty fee”) and upfront guaranty fee for 504 loans. A separate notice is being issued for the 7(a) loan program.

For all 504 loans, the following fees are effective for loans approved October 1, 2020 through September 30, 2021:

For 504 loans (other than loans made under the 504 Debt Refinance without Expansion Program) approved in FY2021:

- 1) The upfront guaranty fee will be 0.50% (50 basis points).
- 2) The annual service fee will be 0.4517% (45.17 basis points) of the outstanding balance of the loan.

For 504 loans approved in FY2021 under the 504 Debt Refinance without Expansion Program:

- 1) The upfront guaranty fee will be 0.50% (50 basis points).

¹ Fees are effective for the entire fiscal year to maintain the estimated costs of the program, unless subsequent Congressional acts modify the program’s effective subsidy costs.

- 2) The annual service fee will be 0.4517% plus 0.0348%, for a total of 0.4865% (45.17 basis points plus 3.48 basis points for a total of 48.65 basis points) of the outstanding balance of the loan.

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 on the [Local Assistance page](#) of SBA's website.

Dianna L. Seaborn
Director
Office of Financial Assistance