



SBA Information Notice

TO: All Employees

CONTROL NO.: 5000-1185

SUBJECT: Secondary Market Changes
Resulting from Small Business
Jobs Act of 2010

EFFECTIVE: 10-22-2010

This Notice provides information about changes in the SBA Secondary Market programs resulting from the Small Business Jobs Act of 2010 (the “Jobs Act”):

Program Extension of SBA’s 504 First Mortgage Loan Program. Section 1119 of the Jobs Act provided a program extension for the SBA 504 First Mortgage Loan Pool (“FMLP”) program. The FMLP program was established in Section 503 of the American Recovery and Reinvestment Act of 2009 and was set to expire on February 16, 2011.

The program now is set to run through September 23, 2012, which is two years after the date of the first sale of an SBA-guaranteed pool of first lien position loans in the FMLP program.

Sales of Split 7(a) Loan Guarantees in SBA Loan Pools. Under Section 1117 of the Jobs Act, the Administrator can approve a request by a pool assembler to partition loan guarantees into \$500,000 increments, with one residual increment of less than \$500,000, for sale into secondary market loan pools. The law allows only one loan increment from a loan to be included in any one pool. However, loan increments from loan guarantees to different borrowers can be assembled within the same loan pool. SBA plans to issue guidance soon on the implementation of this provision.

Grady B. Hedgespeth
Director, Office of Financial Assistance

EXPIRES: 10-1-2011

PAGE 1 of 1

SBA Form 1353.3 (4-93) MS Word Edition; previous editions obsolete
Must be accompanied by SBA Form 58