



SBA Information Notice

TO: All Employees

CONTROL NO.: 5000-1189

SUBJECT: 2nd Quarter "Peg" Rate and
Maximum 504 Third Party Interest
Rate

EFFECTIVE: 12-20-2010

The interest rate on Section 7(a) Direct Business Loans is 4 percent (4%) for the fiscal quarter beginning January 1, 2011. (Information only – no direct funds available at this time.)

The optional peg rate for fluctuating interest rates on guaranty loans is 3 percent (3%) for the January - March quarter of FY 2011.

Pursuant to 13 CFR 120.921(b), the maximum legal interest rate for any third party lender's commercial loan which funds any portion of the cost of a 504 project (see 13 CFR 120.801) shall be 6% over the New York Prime rate or, if that exceeds the maximum interest rate permitted by the constitution or laws of a given State, the maximum interest rate will be the rate permitted by the constitution or laws of the given State.

Grady B. Hedgespeth
Director
Office of Financial Assistance

EXPIRES: 12-01-2011

PAGE 1 of 1

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