



SBA Information Notice

TO: All SBA Employees

CONTROL NO.: 5000-1223

SUBJECT: 7(a) and 504 Fees Effective On
October 1, 2011

EFFECTIVE: 9/30/2011

Each year SBA reviews the fees payable to SBA by 7(a) participating lenders (Lenders), Certified Development Companies (CDCs), and borrowers to determine if they are sufficient to cover the estimated costs of the 7(a) and 504 loan programs. The purpose of this Notice is to announce the fees effective October 1, 2011, for 7(a) and 504 loans approved during FY 2012.

7(a) Loan Program

There will not be any changes to the 7(a) Program Fees. They will remain the same as in fiscal year 2011.

The existing 7(a) fees are:

1. The “Yearly Fee” due from Lenders to SBA is 0.55 percent (55 basis points) of the guaranteed portion of the outstanding balance on the 7(a) loan. The 7(a) Yearly Fee is imposed under Section 7(a)(23) of the Small Business Act and is referred to as the “ongoing servicing fee” in the 7(a) Authorization Wizard.
2. The upfront guaranty fee percentage payable to SBA under Section 7(a)(18) of the Small Business Act depends on the amount of the loan. A chart for these fees may be found in [SOP 50 10 5\(D\)](#), Subpart B, Chapter 3, paragraph V.

504 Loan Program

For 504 loans approved on or after October 1, 2011, the following fees will be changed:

1. The “Annual Fee” paid by borrowers on an ongoing basis to SBA will be increased from 0.749 percent to 0.9375 percent (93.75 basis points) of the outstanding balance of the 504 loan. The 504 Annual Fee is imposed under Section 503(b)(7) of the Small Business Investment Act.
2. The one-time guaranty fee that SBA is authorized to charge under 13 CFR 120.971(d) will be increased from zero to .50% (50 basis points).
3. In addition to the “Annual Fee” paid in paragraph 1 above, for loans made under the Small Business Jobs Act 504 Debt Refinancing Program, borrowers will pay a supplemental fee on an ongoing basis to SBA of 0.1655% , for a total “Annual Fee” of 1.103 percent (110.3 basis points) on the outstanding balance of the 504 loan.

All other fees in the 504 loan program will be the same as in FY 2011. A complete list of 504 fees may be found in [SOP 50 10 5\(D\)](#), in Subpart C, Chapter 8, Allowable Fees.

Notification and Questions

These fee changes are effective October 1, 2011. SBA field offices must notify Lenders and CDCs of these changes.

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 at www.sba.gov/about-offices-list/2.

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Director
Office of Financial Assistance