



SBA Information Notice

TO: All SBA Employees

CONTROL NO.: 5000-1157

SUBJECT: 7(a) Guaranty Purchases

EFFECTIVE:
6/17/2010

U.S. Small Business Administration (SBA) regulations located in 13 Code of Federal Regulations § 120.220 (f) provide that 7(a) lenders will pay the Agency an annual service fee based on the guaranteed portion of the outstanding principal balance on 7(a) loans. The amount of this ongoing fee has varied, but since October 1, 2008, the fee has been equal to 0.55 percent (55 basis points) of the guaranteed portion of the outstanding principal balance of a loan.

Typically, when a 7(a) loan is submitted for guaranty purchase there is an unpaid amount owed for the ongoing service fee on the loan. In order to expedite purchase processing and to eliminate the need for SBA to bill a lender for the unpaid fee amount, the fee will be calculated and automatically deducted through the Guaranty Purchase Tracking System (GPTS) from the purchase disbursement made to the lender. This process will start the week of June 21, 2010.

If SBA purchases the guaranteed portion of a loan from the secondary market, the unpaid annual service fee will be deducted from any secondary market servicing fee owed the lender. If the unpaid annual fee exceeds the lender's secondary market servicing fee, the lender will be billed for the difference.

Any questions regarding this Notice may be directed to walter.intlekofer@sba.gov.

Grady B. Hedgespeth
Director
Office of Financial Assistance

EXPIRES: 6/1/2011

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