



SBA Information Notice

TO: All SBA Employees

CONTROL NO.: 5000-1083

SUBJECT: Version 2009.1 of the 7(a)
Authorization Wizard to be Released
November 24, 2008

EFFECTIVE: 11/24/2008

SBA is replacing the recently released Version 2009 of the National 7(a) Authorization Wizard and Boilerplate with Version 2009.1. This change is being made in order to accommodate the recent addition of One Month LIBOR plus 3 Percent as an allowable Base Rate option (as specified in Notice 5000-1081) and to include the requirement that the interest rate to use when ascertaining the base rate component of the initial rate is the interest rate in effect on the first business day of the month in which SBA receives the application (as specified in Notice 5000-1082) rather than the rate in effect on the actual day the application is received by SBA.

The differences between the two versions of the Authorization Wizard and Boilerplate are outlined in the “What’s New” Section of the Authorization, which is attached to this Notice.

Beginning Monday, November 24, 2008, Version 2009.1 of the 7(a) Wizard and Boilerplate will be available for use by SBA. On that date SBA will start using Version 2009.1 for all loan authorizations it writes. Lenders may access Version 2009.1 of the 7(a) Authorization by going to the SBA Banking website, www.sba.gov/banking and clicking on the ‘Authorizations’ hyperlink or by using www.sba.gov/aboutsba/sbaprograms/elending/authorizations/.

Lenders who prepare 7(a) Authorizations using the Wizard have through the close of business on December 31, 2008 to convert to this new version. Beginning January 2, 2009, all 7(a) loans must be authorized with Version 2009.1, except those processed under Express or Pilot Loan Program procedures where the lender is not required to use the Wizard to construct an Authorization.

The 7(a) Wizard Version 2009.1 is compatible with Word 2003 (11) and will operate in Word 2000 (9) and Word 2002 (10). However, this version of the Wizard is not compatible with Word 2007 (12).

Notification and Questions SBA field offices are responsible for notifying the Lenders that this revised Authorization is being issued and when it must be used.

If you have any questions regarding the 7(a) Authorization, please submit your questions to the 7(a) Authorization e-mail box at Auth-7a@sba.gov.

Grady B. Hedgespeth
Director, Office of Financial Assistance

Attachment

Expires: 11/1/2009

EXPIRES:

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

What's new in this version?

Version 2009.1, released November 24, 2008

This section highlights the major differences between version 2009 and version 2009.1 of the Boilerplate and Wizard. This listing can also be found during operation of the Wizard in the “What’s New” section of the 7a Wizard Help topics, which is available from the 7a Wizard menu.

Repayment Terms

- The Base Rate for Notes with variable interest rates in Repayment Terms Options 2, 3, 4, 5, and 7, has been modified to include the LIBOR Base Rate.
- Repayment Terms for Notes with variable interest rates (Options 2, 3, 4, 5, and 7) have been modified to tie the initial base to the base rate that was in effect on the first business day of the month in which the application was received by SBA rather than on the date the application is received.
- The definition of Prime Rate and LIBOR Base Rate include a statement clarifying that they are based on the rate in effect on the first business day of the month.
- The interest rate Ceiling and Floor options clarify that the initial interest rate is based on the first business day of the month in which the loan application was received by SBA and the final disbursement rate is based on the first business day of the month in which final disbursement occurs.

Technical Correction

- Non-Citizen Ownership—Wizard operations have been modified to allow the non-citizen paragraph to be used more than once. The following notation has been added to the Boilerplate in the Additional Conditions II, Non-Citizen Ownership section:

Note: Paragraph (9) and (10) may be repeated if necessary