SBA Information Notice

TO: All SBA Employees and 7(a) Lenders, and Certified Development Companies, Applicants and Borrowers of the 7(a) and 504 Loan Programs

CONTROL NO.: 5000-866746

EFFECTIVE: April 21, 2025

SUBJECT: Issuance of SOP 50 10 8

The purpose of this Notice is to inform 7(a) Lenders, Certified Development Companies (CDCs), together known as "SBA Lenders," SBA employees, and Applicants and Borrowers of the 7(a) and 504 Loan Programs of the issuance of Standard Operating Procedure (SOP) 50 10 8, Lender and Development Company Loan Programs.

SOP 50 10 8 will become effective June 1, 2025, and will apply to all applications[1] that are issued an SBA loan number on or after that date. SBA Lenders and SBA employees must continue to use SOP 50 10 7.1 for 7(a) and 504 applications that are issued an SBA loan number through **May 31, 2025**.

Users are advised to fully read SOP 50 10 8 to ensure an understanding of all changes.

SBA is largely re-implementing requirements that were in place before January 2021, including restoring 7(a) underwriting criteria, reinstituting the SBA Franchise Directory with streamlined procedures, re-affirming that SBA Lenders determine whether the Applicant is eligible for a loan guaranteed by SBA, and eliminating the "do what you do" philosophy from the SOP.

SBA Franchise Directory – 7(a) and 504 Loan Programs:

SOP 50 10 8 contains instructions on using the SBA Franchise Directory; however, through July 31, 2025, the following procedures must be used while SBA reinstitutes the SBA Franchise Directory and works with Franchisors to update the listings for all brands that were listed at the time the Directory was discontinued.

[1] SBA is in the process of updating application forms to correspond with SOP changes. Until updated application forms are available, SBA Lenders must collect all required information and certifications and retain them in the loan file.

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- For brands that were listed on the Directory as of May 2023, the Franchisor/Distributor will have until July 31, 2025, to execute the new SBA Franchisor Certification. During this period, the SBA Lender must use the Addendum indicated on the Directory as well as comply with any notes included with the brand listing, and both the Franchisor and Franchisee must execute the addendum prior to loan disbursement. If a Franchisor/Distributor has not executed the Franchisor Certification by July 31, 2025, the brand will be removed from the Directory.

- For all new brands being added to the Directory, no addendum will be needed but SBA Lenders must comply with any notes included with the brand listing. The SBA Lender may proceed with the guidance provided in SOP 50 10 8. Brands are encouraged to send the brand documents to franchise@sba.gov for review to assure timely listing on the SBA Franchise Directory.

For the 7(a) Loan Program Only – as of the effective date of SOP 50 10 8:

Requests for exception to policy for 7(a) loans:

- Lenders that do **not** have delegated authority may submit requests for exceptions to 7aLoanProgram@sba.gov, and the loan will be processed under non-delegated procedures.

- Lenders that have delegated authority **must** make a request for an exception for **any** type of 7(a) loan to 7aDelegatedLoanApps@sba.gov, providing detailed information about the application including the names of the principals, address of the project, and a discussion of the policy for which the exception is being requested along with an explanation why the exception to policy should be granted.

    - If SBA approves the exception, the Lender will receive an email confirming the approval, and the Lender must proceed to process the application under delegated authority. The Lender must retain the approval email in the loan file. Exceptions to policy will be considered on a case-by-case basis, and the decision will only apply to the specific request.

    - The 7aDelegatedLoanApps@sba.gov email account is not to be used for general policy questions, which should be sent to 7aQuestions@sba.gov.

Submission of 7(a) loan applications for guaranty:

Lenders that do not have delegated PLP authority: Must submit applications to SBA via E-Tran for SBA approval under non-delegated procedures.

Lenders with delegated authority:

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- May only submit applications to SBA via E-Tran for approval under non-delegated procedures when the loan will refinance the Lender's same institution debt. For 7(a) International Trade loans, Lenders must also submit a loan for non-delegated processing if the collateral securing the loan will not be in first lien position.
- Except for the above, **must** process all loan applications using their delegated authority.
- May submit questions on a specific loan application, including the names of the principals and the address of the project, to 7aDelegatedLoanApps@sba.gov. Lenders must provide sufficient information on the specific application to avoid delays in responses.
- The 7aDelegatedLoanApps@sba.gov email account is only for questions from Lenders with delegated authority. Send general policy questions to 7aQuestions@sba.gov.

7(a) Small Loans:

Upon the effective date of the SOP, the minimum acceptable FICO® Small Business Scoring Service℠ Score (SBSS Score) will increase to 165 from 155.

Questions:

Questions concerning this Notice may be directed to the Lender Relations Specialist in the local SBA Field Office.

Thomas Kimsey
Associate Administrator
Office of Capital Access

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