



Building Success. Together.



U.S. Small Business  
Administration

## National Leadership



**JD Vance**  
U.S. Vice President



**Donald J. Trump**  
U.S. President



**Kelly Loeffler**  
SBA Administrator

## Georgia Leadership



**Terry A. Bolden**  
Acting District Director



**Tyler Teresa**  
Southeast Regional  
Administrator



**Rosemarie Drake**  
Deputy District Director

## SBA Lender Engagement

Understand	Understand SOP 50 10 8 requirements
Improve	Improve loan quality & compliance
Leverage	Leverage secondary market
Expand	Expand Georgia and beyond lending opportunities

## SOP 50 10 8 Overview



Governs SBA 7(a) & 504 lending



Focus on eligibility, repayment, risk



Aligns with SBA credit policy



Critical for lender compliance

## Executive Summary: The Macro Landscape



### Expanding Lender Access

Lifting the 42-year SBLC moratorium to introduce new mission-oriented and national lending licenses.



### Product Consolidation

Unifying fragmented working capital lines into the versatile 7(a) Working Capital Pilot (WCP).



### Streamlined Origination

SOP 50 10 8 updates modernizing sub-\$500K underwriting, removing subjective affiliation rules, and fixing operational bottlenecks.

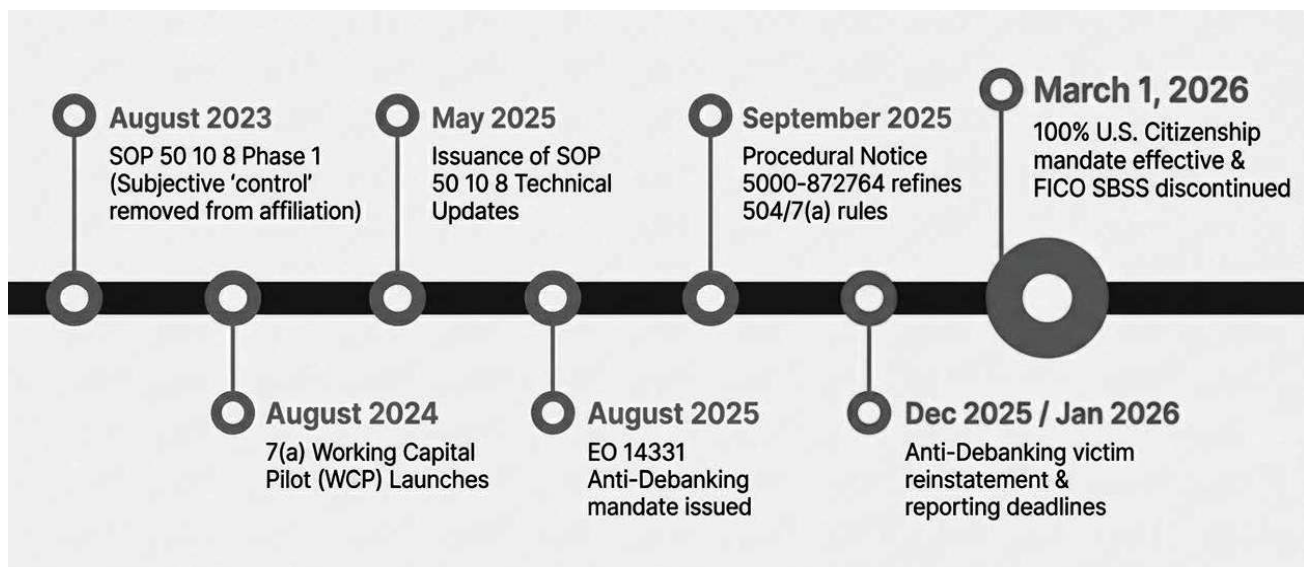


### Enhanced Compliance

High-stakes regulatory directives enforcing 100% U.S. citizenship requirements and ending politicized debanking.

## Timeline of regulatory changes

7a & 504 Loan programs



# New Compliance Citizenship for all New Applications

All SBA loan programs- 7a, 504 and microloans

**BLUF:** Effective March 1, 2026, the SBA requires **100% U.S. citizenship** or national status for any business receiving an SBA guaranty.

Pre-March 2026: 51% ownership by Lawful Permanent Residents (Green Card holders) allowed.

## Eligibility Switch



**Post-March 2026: 100% Citizen/National. LPRs are ineligible.**

**The Zero-Tolerance Rule:** Even 1% non-citizen ownership disqualifies the entire loan application. There is no minimum minimum threshold.

**Verification: Driven by EO 14159.** Underwriters must perform strict USCIS audits. Exceptions only apply to loans that secured an SBA loan number prior to the March 1 deadline.

# Operational Changes

Impactful for the closing process and loans sold on the secondary market

## System Streamlining (E-Tran)



The legacy Loan Authorization Wizard is discontinued. Replaced with an auto-generated, one-click **"Terms and Conditions (Ts&Cs)"** electronic sheet via E-Tran. No signature required.

## Lien Recordation & Secondary Market



Lenders may now sell loans on the secondary market after filing a lien, but before receiving official recordation proof.



**Risk Note:** Failure to ultimately obtain a properly perfected/recorded lien risks full or partial denial of liability.

## ESOP Valuations & MARC Limitations



Independent business valuations are no longer required for ESOPs; lenders may use the ERISA-compliant valuation.

PLP limit: 7(a) MARC loans cannot refinance same-institution debt under PLP authority (must be non-delegated).

## Eligibility

Size and  
type

Use of  
proceeds

Ownership

Character

## Underwriting

Prudent Lending Practice  
SBA is a credit enhancement



-Repayment  
ability



Cash flow



- Collateral



Credit history



SBSS removed (FY  
2026)

## Redwood Score Overview



SBA internal risk rating tool



Evaluates credit strength



Key for approvals & screen-outs



Impacts processing speed

## How to Improve Redwood Scores

**Strengthen**

Strengthen global cash flow

**Provide**

Provide complete documentation

**Justify**

Justify credit decisions clearly

**Mitigate**

Proactively mitigate risks

## E-Tran

Stay Tuned for a New lending Platform



SUBMIT TO SBA  
SYSTEM



LOAN NUMBER  
ASSIGNED



FEES CALCULATED

## Secondary Market Overview



Sell guaranteed  
portion of loans



Generates  
liquidity



Improves  
balance sheet



Supports more  
lending



## Secondary Market Trends (2026)



Premiums ~102%–110%



Higher for strong credit loans



Manufacturing = favorable



Rates influence pricing

## Closing/ Disbursement

Documentation errors can invalidate guaranty



Execute

Execute documents



Loan

Loan Agreement



Perfect

Perfect collateral



Disbursement must match the approved uses including controlled funding

## Liquidation Required before SBA honors guaranty.

1

MAXIMIZE  
RECOVERY

2

FOLLOW SBA RULES

3

REQUEST  
GUARANTY

## FY 2026 FEES

SBA Information Notice 5000-872051

### **For loans with a maturity that exceeds 12 months, the Upfront Fees are:**

- For loans of \$150,000 or less: 2% of the guaranteed portion of the loan. The Lender may retain no more than 25% of the fee (i.e., at least 1.5% must be remitted to SBA).
- For loans of \$150,001 to \$700,000: 3% of the guaranteed portion of the loan.
- For loans of \$700,001 to \$5,000,000: 3.5% of the guaranteed portion of the loan up to and including \$1,000,000, plus 3.75% of the guaranteed portion over \$1,000,000.
- For loans with a maturity of 12 months or less (Short-term loans): 0.25% of the guaranteed portion of the loan.

## FY26 Fees continued

SBA Information Notice 5000-872051

- For loans to manufacturers (NAICS sectors 31-33) of \$950,000 or less, the upfront fee is 0% (does not apply to MARC loans)
- For all SBA Express loans made to businesses owned and controlled by a veteran or spouse of a veteran, the Upfront Fee will be \$0
- Annual Service Fee will be 0.55% of the outstanding balance of the guaranteed portion of each loan. This includes 7(a) Working Capital Pilot (WCP) loans. Lenders may not pass the Lender's Annual Service Fee on to the Borrower

See full notice for all fees



## Scenarios

### Case study Work

## Case Study: At-Risk SBA Loan

- Restaurant acquisition
- Weak DSCR & projections
- Incomplete eligibility support
- Limited experience
- Outcome: Delays / potential decline

## Case Study: High-Quality SBA Loan



Manufacturing: \$2.5MM



DSCR  $\geq$  1.25 with strong projections



Experienced management



Full collateral + guarantees



Outcome: Fast approval + premium sale

## SBA LOAN VALUTATON FOR CUSTOMERS

Position SBA as a solution, not just a product. Education improves conversion and loan quality.



Emphasize access to capital



Lower down payments



Longer terms



Flexible use



Target market segment  
(i.e. outside bank  
traditional credit  
parameters)



Use referral partners



Educate borrowers

## SBA Notices

- [SBA Information Notice - Guidance for Frequently Asked Questions Related to Recent Procedural Notices](#)
- [Policy Notice 5000-877669- Effective May 1, 2026 7\(a\) International Trade Loan Program Updates](#)
- [Franchise Directory Apr 10, 2026.xlsx](#)
- [SBA Procedural Notice - 5000-876777 Sunset of SBSS Score - Supplemental Guidance](#)
- [SBA Procedural Notice 5000-875051 7\(a\) Alternative Base Rate Options](#)
- [Small Business Lending Companies \(SBLCs\) | U.S. Small Business Administration](#)
- [Issuance of SOP 50 57 4, 7\(a\) Loan Servicing and Liquidation | U.S. Small Business Administration](#)
- [SBA FY 2026-2030 Strategic Plan.pdf](#)

## Key Takeaways



Quality underwriting drives success



Compliance reduces risk



Secondary market boosts returns



target marketing = strong opportunity in various segments



U.S. Small Business  
Administration