

# Welcome to the 7(a) Connect Call

During this call we will provide updates, training tips and hot topics on the Office of Capital Access. There will be time allotted for questions and answers.

- Office of Capital Access Welcome and Updates – Bill Manger
- Office of Economic Opportunity – Manny Hidalgo
- Office of the General Counsel - Stephen Olear
- Office of Financial Assistance – Robert Carpenter
- Secondary Market - John Wade
- Q & A

# WELCOME LENDERS



7(a) Connect Call  
Wednesday, October 26<sup>th</sup>, 2017



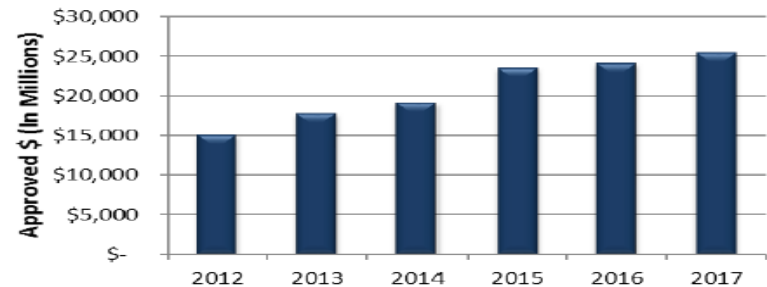
**Bill Manger**  
**Associate Administrator**  
**Office of Capital Access**

# FY2017 Activity

## YTD Activity – Total 7(a) and 504

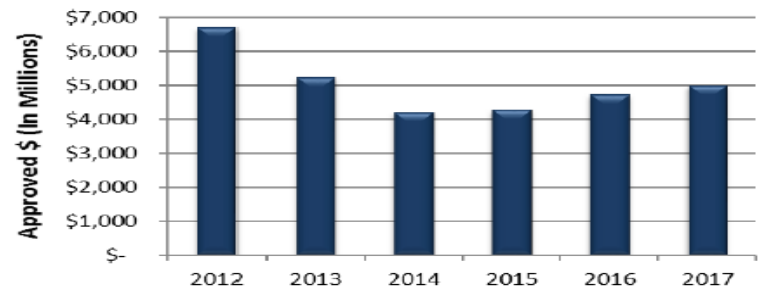
### 7(a) Lending Activity

Fiscal Year	Approved Loans	Approved Dollars
2017	62,430	\$ 25,447,458,500
2016	64,074	\$ 24,128,426,343
2015	63,461	\$ 23,583,863,400
2014	52,044	\$ 19,190,547,800
2013	46,395	\$ 17,865,672,500
2012	44,376	\$ 15,153,504,000



### 504 Lending Activity

Fiscal Year	Approved Loans	Approved Dollars
2017	6,218	\$ 5,013,723,000
2016	5,938	\$ 4,740,082,000
2015	5,787	\$ 4,297,938,000
2014	5,885	\$ 4,199,431,000
2013	7,708	\$ 5,227,392,000
2012	9,471	\$ 6,711,656,000



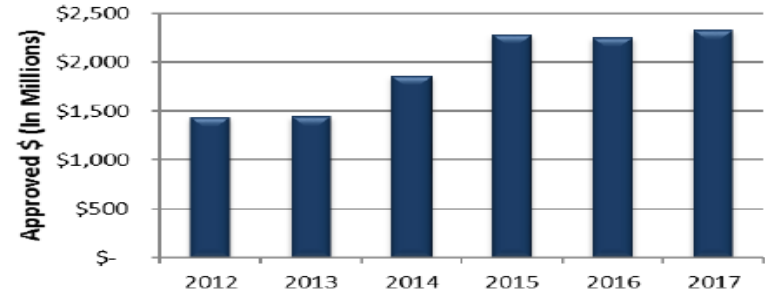
# FY2017 Activity

## YTD Activity – 7(a) Small Dollar Loans

### Up to \$150k Lending Activity

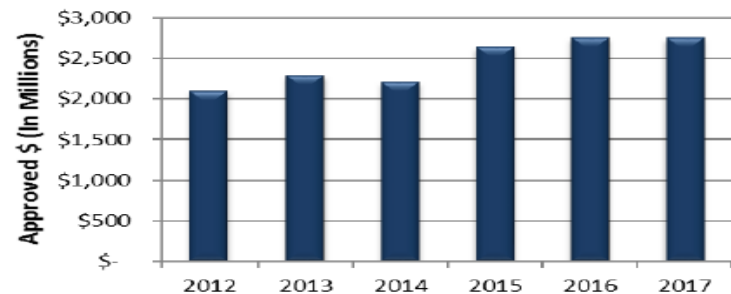
Fiscal Year	Approved Loans	Approved Dollars
2017	35,805	\$ 2,334,775,000
2016	38,043	\$ 2,258,135,843
2015	37,705	\$ 2,281,337,100
2014	30,675	\$ 1,861,165,900
2013	24,923	\$ 1,445,653,200
2012	25,485	\$ 1,436,528,900

• Borrower fee relief for FY 2017 stands at \$25.8M.



### \$150k to \$350k Lending Activity

Fiscal Year	Approved Loans	Approved Dollars
2017	10,385	\$ 2,746,424,100
2016	10,396	\$ 2,753,205,200
2015	10,118	\$ 2,633,638,000
2014	8,513	\$ 2,210,412,700
2013	9,032	\$ 2,282,954,100
2012	8,310	\$ 2,098,323,700

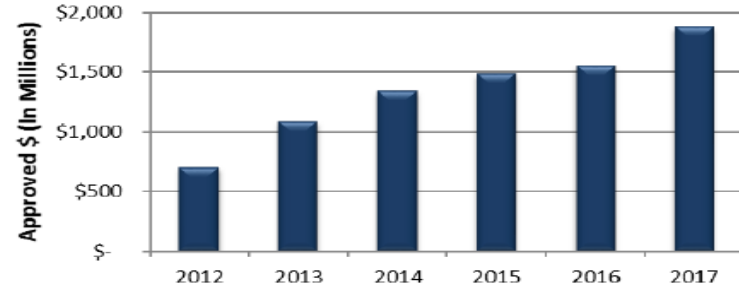


# FY2017 Activity

## YTD Activity - Export and SBA Express

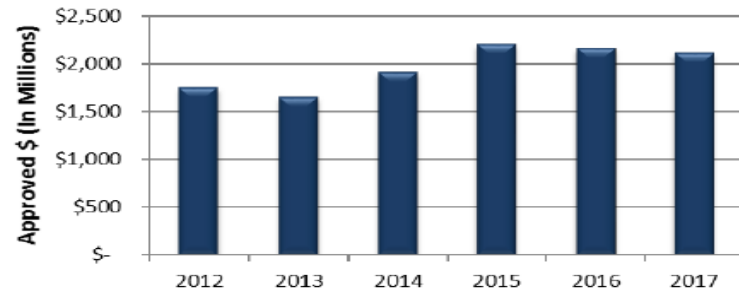
### Export

Fiscal Year	Approved Loans	Approved Dollars
2017	2,154	\$ 1,874,765,900
2016	1,802	\$ 1,547,492,900
2015	1,830	\$ 1,484,439,200
2014	1,656	\$ 1,342,708,500
2013	1,415	\$ 1,088,514,100
2012	999	\$ 699,643,200



### SBA Express

Fiscal Year	Approved Loans	Approved Dollars
2017	29,450	\$ 2,107,120,100
2016	32,574	\$ 2,160,839,400
2015	32,261	\$ 2,200,639,000
2014	26,555	\$ 1,906,381,900
2013	21,610	\$ 1,645,832,100
2012	22,975	\$ 1,750,404,300





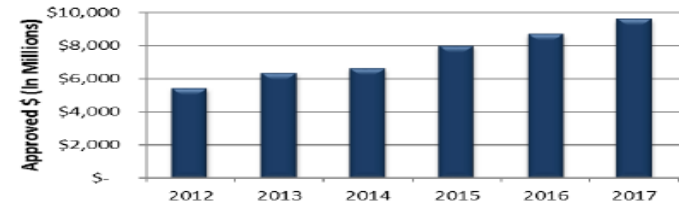
Manuel “Manny” Hidalgo  
Director,  
Office of Economic Opportunity

# FY2017 Activity

## YTD Activity - Underserved Markets

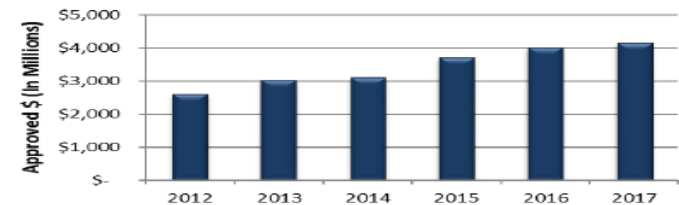
Minority

Fiscal Year	Approved Loans	% of #	Approved Dollars	% of \$
2017	17,973	26.2%	\$ 9,577,915,800	31.4%
2016	18,016	25.7%	\$ 8,669,179,000	30.0%
2015	17,002	24.6%	\$ 7,941,335,200	28.5%
2014	13,645	23.6%	\$ 6,573,355,300	28.1%
2013	12,676	23.4%	\$ 6,283,257,500	27.2%
2012	11,883	22.1%	\$ 5,385,490,800	24.6%



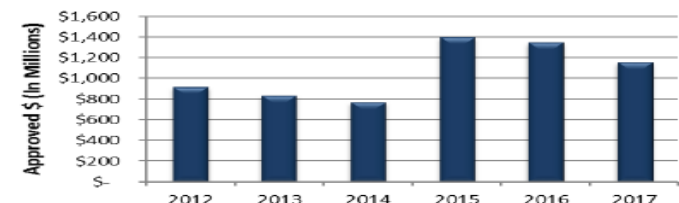
Women

Fiscal Year	Approved Loans	% of #	Approved Dollars	% of \$
2017	12,202	17.8%	\$ 4,128,517,800	13.6%
2016	12,846	18.3%	\$ 4,000,592,343	13.9%
2015	12,332	17.8%	\$ 3,691,895,200	13.2%
2014	9,758	16.8%	\$ 3,092,925,600	13.2%
2013	8,934	16.5%	\$ 3,008,383,600	13.0%
2012	8,456	15.7%	\$ 2,588,896,100	11.8%



Veteran

Fiscal Year	Approved Loans	% of #	Approved Dollars	% of \$
2017	3,532	5.1%	\$ 1,146,934,600	3.8%
2016	3,532	5.0%	\$ 1,341,987,300	4.6%
2015	3,378	4.9%	\$ 1,391,801,600	5.0%
2014	2,359	4.1%	\$ 762,928,600	3.3%
2013	2,619	4.8%	\$ 828,406,500	3.6%
2012	2,709	5.0%	\$ 912,074,800	4.2%





# FY2017 Activity

## YTD Activity – Mission Programs

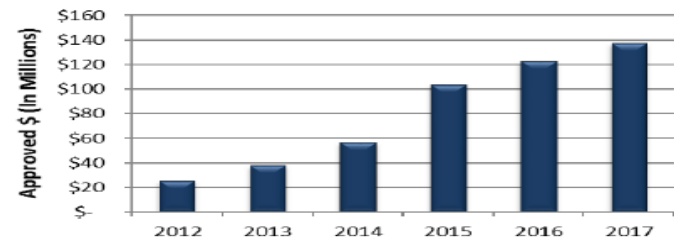
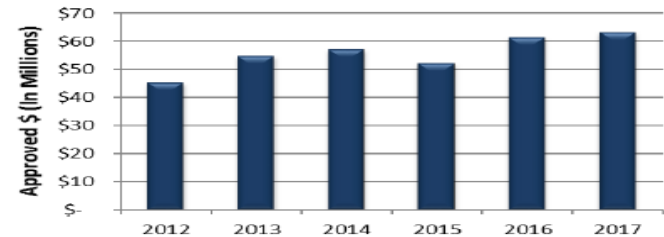
### Microloans

Fiscal Year	Approved Loans	Approved Dollars
2017	4,607	\$ 63,303,954
2016	4,533	\$ 61,377,618
2015	3,718	\$ 52,259,786
2014	4,012	\$ 57,169,222
2013	5,305	\$ 54,795,708
2012	4,020	\$ 45,253,103

- FY17 Microloan approvals underreported due to lag in micro lender reporting.

### Community Advantage

Fiscal Year	Approved Loans	Approved Dollars
2017	1,043	\$ 137,595,500
2016	988	\$ 123,175,000
2015	828	\$ 103,516,100
2014	453	\$ 56,473,500
2013	273	\$ 38,199,800
2012	188	\$ 25,240,900



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Stephen J. Olear  
Chief Franchise Counsel  
Office of the General Counsel  
Financial Law and Lender Oversight

# Franchise

## SBA Information Notice 5000 -17009

For loans processed through December 31, 2017:

SBA Lenders must continue to follow the franchise review procedures set forth in

SOP 50 10 5(I) and SBA Policy Notice 5000-1941, and will **now** contact

[franchise@sba.gov](mailto:franchise@sba.gov)

to obtain an SBA Franchise Identifier Code

# Franchise

Coming Soon!

Annual Certification from Franchisor  
Submission of Documentation to SBA  
Post Approval Documentation  
SBA Franchise Directory

New Process starting January 1<sup>st</sup>:

Lenders and CDC's will no longer have to review  
Franchise or other brand documentation for affiliation or  
eligibility

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Robert Carpenter  
Acting 7a Chief  
Office of Financial Assistance

# NEW SOP

[SBA Information Notice 5000-17008](#)

[Click here for new SOP 50 10 5 \(J\)](#)

## **Please Note:**

**No track changes will be posted. Due to the amount of edits, it would not be useful.**

# SOP 50 10 5 (J) Subpart B

## Chapter 2

- Provided guidance on affiliation by management agreements
- Revised Franchise Procedures
- 912 Procedures updated to reflect Information Notice 5000-1401
- Consumer and marketing cooperatives now eligible
- Revised procedures on Prurient material
- Added EPC Partner Buyout
- Clarified use of proceeds for farm enterprises
- Updated use of proceeds with Export Express

# SOP 50 10 5 (J) Subpart B

## Chapter 3

- Now requires SBA Express LOC to include a term-out period
- Revised timing of guaranty fee payments and refunds for short term loans
- Simplified the guidance on the only fees Lenders, Agents, and Lender Service Providers (LSP's )may charge



# SOP 50 10 5 (J) Subpart B

## Chapter 4

- Added minimum equity requirements for certain 7(a) loans
- Revised guidelines of change of ownership and equity injections (seller debt)
- Updated EWCP credit underwriting and collateral standards
- Provided direction loans processed using delegated authority, may require a personal guaranty, regardless of ownership interest
- Updated environmental policy to reflect current federal requirements
- Change in personal guaranty requirements

# SOP 50 10 5 (J) Subpart B

## Chapter 5

- Relocated Insurance Requirements to Chapter 4
- Relocated Assignment of Lease & Landlord's Waiver to Chapter 4

## Chapter 6

- Reorganized for Clarity

## Chapter 7

- Expanded the list of actions that do not require prior approval
- Added guidance on credit reporting agencies

# SOP 50 10 5 (J) Subpart B

## Chapter 8

- Added guidance on selling loans in the Secondary Market
- Added the process for portfolio transfers and loan participations
- Guidance on obtaining SBA's prior written consent to secured credit and SBA securitization transactions

# SBA's New Website



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[Business Guide](#) [Funding Programs](#) [Contracting](#) [Learning Center](#) [Local Assistance](#) [About SBA](#)

[← Back to 7\(a\) loan program](#)

## 7(a) loan program

[Types of 7\(a\) loans](#)

[Community Advantage loans](#)

**[Operate as a 7\(a\) lender](#)**

[Secondary market](#)

[Terms, conditions, and eligibility](#)

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## Operate as a 7(a) lender

The Small Business Administration (SBA) has streamlined the lending process for its lenders. Review the major activities you regularly perform as a lender in the 7(a) program and the SBA tools you use.

**Our new website is still undergoing construction  
We thank you for your patience**

# Updated Forms

Mandatory Use Starts January 1, 2018

(Can be used now)

1919- Borrower Information Form

1920-Lenders Application for Loan Guaranty

Please note: 1919 and 1920 will be amended to include SOP 50 10 5 (J) updates

# 4506-T

## SBA Information Notice 5000-17010

SBA Seal has been removed

Expedited Processing through IVES

Be sure to send request to correct fax #

New IRS Contacts:

Roxanne Jones at (801) 620-6750 email [Roxanne.Jones@irs.gov](mailto:Roxanne.Jones@irs.gov)

or

Mary Ray at (816) 499-4532, email [Mary.R.Ray@irs.gov](mailto:Mary.R.Ray@irs.gov)

# Express Bridge Loans

\$25,000 Unsecured Disaster Bridge Loan with expedited processing from existing Express lenders only.

Lender must obtain:

1. SBA credit score of 130 issued by ETRAN
2. Personal Credit Report consistent w/ lenders policy
3. 4506-T for verification of filing

[Click here for the Express Bridge Loan Pilot Federal Register Notice](#)

Info Notice and Guide coming soon!

# Upcoming Listening Webinar

In an effort to assess and enhance our relationship with our key stakeholders, the SBA is holding a public meetings in the fall.

Please join us

Tuesday, November 7<sup>th</sup> from 11:00-12:00pm EST

register at:

<https://www.surveymonkey.com/r/VZVVLST>

and Log in 10 minutes prior to the event at:

**Step 1:** <http://ems7.intellor.com/login/714523>

**Step 2:** Instructions for connecting to conference audio will then be presented on your computer

If you have any questions, please feel free to contact SBA directly at

[Reimagine@sba.gov](mailto:Reimagine@sba.gov)

[www.sba.gov](http://www.sba.gov)

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# Questions

